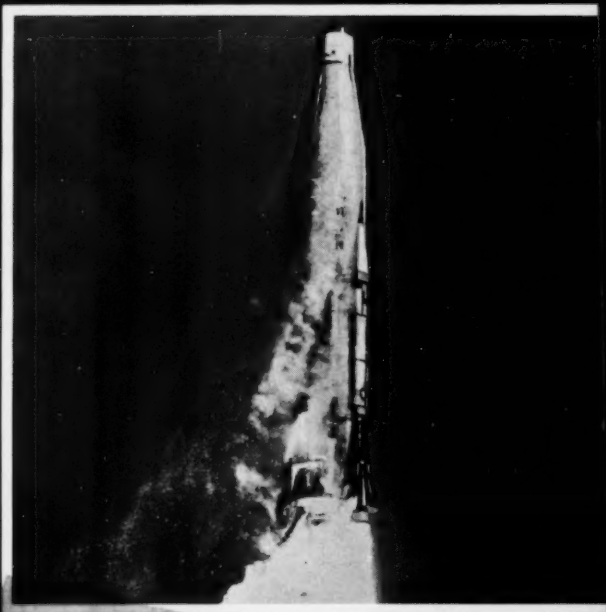


JAN 23 1959



Manage



S-X OF OUR IMMORTALITY
MANAGEMENT OF THE SPACE AGE



G. ELDON TUFTS

...from the NMA president

Report to the Membership

Each year as the new president starts to work on his programs, he first reviews the progress of past presidents. He is thankful for the strong organization which was built during the past 33 years, but knows, however, that for continued growth and strength we must program for the future. He then looks at the task which lies ahead for the NMA.

Our task for 1959 may split twofold. (1) Increase in membership. (2) Expansion of member-participation types of education programs to clubs.

We must build our membership in order to have the facilities to carry out our plans and programs for 1959. We must spread our influence into other companies, other industries, than those we now are in. Our Association is needed in all industrial areas. With the increase in manufacturing costs, and the approach of keener competition in American industry our challenge becomes even greater. The buyer will be looking for the best quality at the lowest price. To have both, you must have *unity* in management.

The NMA will continue to design its programs for unity in management, and also to aid NMA clubs so they can better help the foreman, supervisor, manager or engineer develop leadership skills and techniques.

As in the past we'll continue to depend on the NMA directors to be energetic in extending their philosophy of good management, and in working to increase membership in present clubs and to charter new clubs.

We also have additional zone managers trained in NMA policy and procedure to help with club promotion.

(Continued on page 66)

Manage



MANAGING EDITOR: *William W. Taylor*

WASHINGTON CORRESPONDENT
Stewart French

BUSINESS CORRESPONDENT
William Freeman

BUSINESS AND CIRCULATION MANAGER
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INSIDE THIS ISSUE

January: month of destiny in the Nation's capital. See Washington Report forecast of things to come—page four. . . . American business can't be blamed for personal immorality. It's time to take stock of individual moral concepts, abide by company ethics, policies—page 12. . . . Economics experts reveal study of new "pricing" methods now followed by some firms—page 17. . . . Two schools of thought regarding retirement preparation—page 28. . . . Everyone has a different method of delegating responsibility. Cleveland's Case Institute is preparing formulae which will tell management how much to spend on research and development. See Business Notebook—page 55.

ON THE COVER

Seven-story Atlas ICBM lifted off launching pad at Cape Canaveral. Twelve hundred companies supplied engineering know-how and components.

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CIRCULATION THIS ISSUE: OVER 70,000, DOMESTIC AND FOREIGN.



Washington Report

....for supervisors

by Stewart French

January, 1959, is a month of destiny in the Nation's, and Free World's, capital. For it is then that basic patterns of policy, domestic and foreign, economic and defense, will be laid down.

The 86th Congress, consisting of 98 senators and 436 congressmen, for the first time, will convene to try to work out world and national problems with the Republicans, "modern" and otherwise, in control of the executive branch. Regardless of what happens in 1960, it's the final quarter, so to speak, for the Eisenhower Administration. Its members naturally want to make it look good. The President will deliver two basic policy pronouncements during the early days of the month: The State of the Union message and the proposed budget for 1959-60 (July 1 to June 30). The former, which may or may not be given in person by the President to the assembled senators and congressmen in the House chamber, will outline, in general terms, the goals and program which the head of our nation and its Commander-in-Chief believes the country should follow. It will also be a report on where we are now—on the state of the union—as well as recommendations on where we should go and how to get there.

The President's proposed budget for next year, which has been a full year in the making, will have a profound effect on our national spending. And on that spending, to no small extent, will depend our state of preparedness to meet Communist aggression through cold or hot war, on any and all of the myriad fronts

of the world. Also tied in with national spending is the state of our domestic economy, but its effects are matters of sharp different opinions among economists and political figures.

(We started to use "politician" there. It's unfortunate that that word, politician, has become one of those naughty words—a term of opprobrium. You couldn't have a democracy that worked without politicians. This reporter is reminded of the explanation he was given last summer in Spain as to why the Spanish Republic had failed. A hardheaded American business man, the veteran, successful head of one of our leading air lines there, asserted that it was because there were too many school teachers and business men in the government of the republic and not enough politicians who understood and could practice the art of compromise to get things done!)

The budget for '59-'60, when finally approved and appropriated for by Congress, will of course have a direct bearing on the taxes, supervisors, and this reporter's pay. Speaking of which, the new year also marks the end of the federal income tax year for most of us. We'll have to ante-up before April 15 on the basis of what we took in and spent on allowable deductions up to December 31st.

DEMOCRATIC DOG FIGHT

While plans affecting the fate of the nation and the world, and perhaps even the atmosphere adjacent thereto, are in the offing, a first-class old fashioned political row is shaping up, too. This is the funeral oration the Senate liberals and some moderates are preparing for "King Filibuster."

A filibuster is of course a talkathon on the Senate floor (they can't take place in the House, under present House rules) by which opponents of a measure literally talk it to death. It's used only when a minority realizes that if a measure were brought to a vote it would pass. So the minority senators exercise the Senate's ancient rule of unlimited debate and talk on and on and on, for days and weeks on end, about any subject at all (reading from the Bible

is an old-time favorite method of "debate" by filibusters) until a bill or legislative proposal either is withdrawn entirely or is cut down to what the opponents think is an acceptable compromise. An example that has certain recent overtones was the attempt to enact Alaska Statehood legislation in 1950.

A Statehood Enabling Act had been passed by the House, had been reported out of Committee in the Senate and was pending on the Calendar. Following the lead of President Truman, the then Majority Leader, Senator Scott Lucas of Illinois, made a motion for the Senate to proceed to consideration of the bill. Had it been brought to a vote, the Statehood bill unquestionably would have passed and been enacted into law. However, a group of Southern Democrats immediately started "debating" the motion to consider it. They talked, in relays, for a full eight days and gave every indication they were prepared to go on indefinitely. Meanwhile, of course, no other legislation could be considered except by unanimous consent, which was not forthcoming.

Finally the Majority Leader was forced to withdraw his motion, and thus Alaska Statehood was killed without the Senate's ever being allowed to vote on it although a majority favored the bill. It was not until last summer, eight years later, that Alaska Statehood legislation was enacted.

Under Rule 22 of the Senate Rules, a "debate" of this sort can be shut off only by a vote of full two-thirds of the entire Senate for cloture. This would mean 66 of the new 98-member body, including the two first-timers from Alaska.

Such a two-thirds majority is very difficult to obtain—a number of senators invariably find it convenient to be absent on the day of a cloture vote—and opponents from both parties join. In fact, only four times in the rule's history has it been used successfully to allow the will of the majority to prevail.

❑ DECISION ON SIDE ISSUE

However, with 15 new Democrats and 3 new Republicans taking seats in the Senate, this rule is quite likely to be modified forthwith in the opening days

of the new Congress. A minimum change would be to permit two-thirds of the senators present and voting to shut off debate. A maximum would be for a "Constitutional majority" of the Senate—50 members—to have authority to do so after a bill has been debated a certain minimum period—say 15 days.

This fundamental issue of the conduct of business in the so-called upper body of our national legislature will be decided in a dramatic collateral move. On January 7, as soon as the new senators are sworn in, one of the old-line conservative-liberals, probably Senator Clinton P. Anderson of New Mexico, will rise and move, before any other business can be taken up, that the Senate proceed to adopt rules for the session by majority vote. The theory of this motion will be that the Senate is not a continuing body, despite its long tradition of continuing rules, but like the House must proceed to the adoption of its rules by majority vote with every new congress—that is, every two years.

Previous attempts to have the Senate of a new Congress adopt new rules have failed, and Rule 22 has continued to operate. A basic issue has been whether the motion to adopt rules was itself subject to Rule 22, and hence could be defeated endlessly except for the unlikely two-thirds cloture vote. That is, the move to change the anti-filibuster rule could itself be filibustered.

On the opening day of the last Congress—the 85th—in January, 1958, Vice-President Nixon, the Senate's presiding officer, issued an advisory opinion from the Chair that any rule which prevented a majority of the Senate from deciding under what rules it wished to operate is unconstitutional. This opinion, if made into a ruling this year, as is probable, is subject to appeal to the full Senate. But a simple majority will decide that appeal!

❶ SUPERVISORY JOB AND UNION MEMBERSHIP WON'T MIX

Meanwhile, back on the production line, so to speak, a ruling of the National Labor Relations Board (NLRB) has highlighted once again the inherent contradictions in a supervisor's belonging to an employee union.

Two Teamster Union locals in Minnesota petitioned the Board to throw out representation elections at a barrel-making plant because, the unions charged, a supervisor who was also a shop steward in the plant of a rival union had promised the workers a raise if they voted against the Teamsters and for his union. The employer allowed Teamster spokesmen to go into the plant during working hours and tell the employees that they wouldn't get the increase. The union men were accompanied by a plant superintendent who affirmed, on behalf of the management, that no raise would be coming up regardless of how the representation election went.

The vote went against the Teamsters. The NLRB Regional Director found that the shop steward-supervisor's remarks had been prejudicial and had ordered a new election. On appeal, however, a full NLRB panel found that the supervisor's promises had been made in his capacity as a union member "rather than as a representative of management." It let the election stand, under the circumstances.

This recent pronouncement and innumerable others by the Congress, the Courts, and administrative agencies that 'supervisors are a part of management' forms a highly significant background for the new union recently granted affiliation at AFL-CIO headquarters here under International Brotherhood of Longshoremen charter. It's called the International Federation of Foremen (IFF) and is an offshoot, by a militant minority, of the old Foremen's Association of America.

IFF's organizing literature emphasizes the AFL-CIO tie, and it would need to go no further to part company with the increasingly accepted fact that supervisors are and should be a part of management.

❧ "FREE AS THE AIR"

The old saying about something's being "as free as the air" rapidly is losing its meaning. In the face of the strenuous crack-down by the White House to cut all non-defense spending to the bone, and beyond (and, for that matter, even some direct military

spending too), the Department of Health, Education and Welfare is going ahead planning to spend even more money in air pollution control. Present programs are estimated to cost about \$5 million a year.

Arthur S. Fleming, former Ohio college president now head of HEW, has formed a team from industry, universities, and government to "work out practical methods" of carrying out the research recommendations of the National Air Pollution Conference held here in November. Also, the federal government is underwriting studies at the Taft Engineering Center in Cincinnati on automobile exhaust fumes "of a type and scale never before attempted." Both Secretary Fleming and Dr. Leroy E. Burney, the Surgeon General of the United States and head of the U.S. Public Health Service, stated that they had "real hope that the automobile industry, too, would intensify its activities."

They said drivers could help ease air pollution problems by keeping the carburetors of their cars properly adjusted.

At the Cincinnati engineering center extensive experiments are being conducted on live animals to study the effects of auto exhausts under conditions that simulate conditions out doors at various temperatures and stages of humidity. The effects of different fuels and emissions from automobiles in varying states of repair are also being studied.

Airlines Order "Hush Houses"

Three commercial airlines have recently placed orders for a total of five "hush houses." These are jet engine test cells which will be used to protect airport neighbors and personnel from the high-pitched noise produced by jet engines during testing operations. The "hush houses" will be engineered and built by Koppers' Metal Products Div., Baltimore, Md.

Inside the cells, the engines produce a deafening roar when operating at full power. Just outside the cell, however, there is only a soft hum in the background.



Letters to the editor

Okay to reprint

Dear Sir:

May we have permission to reproduce the article "How To Change Your Viewpoint" as it is printed on pages 49 and 50 in the November, 1958, issue of *MANAGE* magazine.

We would like to use it in our *MAINLINE MANAGEMENT* MEMO . . . W. E. McClure, *United Airlines, Cheyenne, Wyoming.*

Facts on "Fact."

Dear Sir:

As long as your September issue advises us to "Act On Fact" I'd like to offer a few for your consideration. If Fred Snodgrass forgot to touch second as noted on Page 57, (Sept. 1958), I've never heard. But the most famous "bonehead" play in baseball history was made by one of McGraw's old time Giants against the Cubs. His name, however, was Fred Merkle. And he really didn't forget in the true sense. The score was tied in the last half of the ninth with two outs. Merkle was on first and another Giant on third. The batter lined a clean single into center field, scoring the man from third. Merkle, seeing the obvious scoring of the winning run, did not continue his run to second but ran straight to the club house in center field.

Fierly little Johnnie Evers, then

second baseman for the Cubs (Tinker to Evers to Chance) ran out to center got the ball and racing back touched second. He claimed that as Merkle had not beaten the ball to second he was out on a fielder's choice. Thus the side was retired and the score tied.

The ump agreed. The game was replayed, the Cubs won, giving them a tie for the pennant. The resultant series was also won by the Cubs who went on to lose the World Series to the Chicago White Sox—the Hitless Wonders. The year 1906 . . . E. G. Lowell, *Northridge, California.*

Where are pin-ups?

Dear Sir:

I have enjoyed reading the many interesting articles printed in *MANAGE* magazine, especially "How Would You Solve This?" We have had some pretty lively discussions on the three winning solutions at our dinner meetings.

Now we have a few questions for you:

1—Since we have just elected new NMA officials, how about a little background on each of them?

2—What ever happened to those pin-up's you formerly printed? . . .
(Signed) R. E.

● As far as we know they are still pinned up!—Ed.

The Life of a Supervisor

by Ernest Miller

If he's neat, *he's conceited*
If he's careless, *he's a bum*
If he's pleasant, *he's a flirt*
If he's brief, *he's a grouch*
If he hurries, *he overlooks things*
If he takes his time, *he's lazy*
If he corrects you, *he has it in for you*
If he doesn't correct you, *he's easy*
If he's energetic, *he's trying to make a record*
If he's deliberate, *he's too slow to make a record*
If he lets you "cuss" him, *he's a coward*
If he "cusses" you back, *he's a bully*
If he outwits you, *he's a sneak*
If you outwit him, *he's a bonehead*
If he catches you breaking rules, *he's just lucky*
If he doesn't catch you, *he's a chump*
If he gets promoted, *he had pull*
If he doesn't get promoted, *Ob—what's the use!*

Business . . .

Scape Goat of Our Immorality

by William W. Taylor

It isn't necessary to point out the sordid details of the flagrant transgressions of America's businessman, or the industrial structure we refer to as American Business. These transgressions which are taking place in our American way of life, whether in association with commonly accepted business practice, or in our social life, are provoking a serious moral decay.

Perhaps the recognition and recent publicity surrounding this state of affairs is healthy—healthy in that it is bringing America's business to a fuller recognition of its own frailty. This recognition could well be its salvation.

So pre-occupied with desires for gain, we have ignored the great ethical precepts of our civilization. Our codes of ethics as established by business firms of every nature have become partially or wholly ignored by too great a percentage of management, worker, client and community.

These codes tend to be just so many high sounding words, fancifully illustrated on expensive paper, encased for posterity in prettily framed encasements. We are forgetting what the code said, if not why we said it.

In a recent feature article, written for FORTUNE Magazine, Dr. Finkelstein¹ cites the case of a rising young executive who said to him, "It is impossible to conduct business in the U. S. today without breaking the law."

Dr. Finkelstein admonishes the American businessman of today when he says that the signs of our decay in business "are apparent in the vulgar ostentation all around us, in the sexual laxity revealed by the Kinsey report studies. The signs are apparent in our general toleration of

¹ Dr. Louis Finkelstein; Chancellor of the Jewish Theological Seminary, New York, recent author of "The Businessman's Moral Failure" FORTUNE, September, 1958.

wrong doing which is, in itself, an evil and corrupting force."

His words may sound strong and harsh, but when we look about us and become cognizant of the forms of bribery to gain business advantages, the outright perjury in efforts to escape lawful taxation, the establishment of unfair prices (hidden behind easy time-payment plans), and falsified advertising techniques, there is good reason to believe that the time has come to clean house. But is it the American Businessman, as such, who is at the root of our moral decay? Instead, is it not our personal spiritual frailty which has caused our immorality, and which is made expedient in the name of, and for the sake of business?

Analysis paralysis—

Statistical reports which are released frequently for the analysis of sociological experts tell us more about ourselves as a society than we often care to hear. At the risk of becoming involved in an *analysis paralysis* let us cite only one recent finding, which serves to indicate the conditions prevailing among the working class in one of America's larger industrial centers. In one area of the city of Detroit, made up primarily of automotive plant employees, more than 60 per cent of the children under 14 years of age are living with one blood parent. But only half of this number is living with both blood parents. The juvenile delinquency problem is naturally high.

Conditions in which these children must try to live are horrible, but the example of life, as displayed by the adult population, is even worse.

Whether we care to or not, we must concern ourselves with such conditions because they are a part of the whole. This is a portion of that to which we refer as the American way of life; a part of the total social structure. As such it is important to business and industry, for the welfare and pattern-of-living of the worker—his morality—will ultimately be reflected in the quality of his production and the total measure of his contribution to the company for which he works.

The cost of "belonging"

Taking a quick view in the direction of the suburbs, which house a vast number of America's business executives and management personnel we find quite a different picture. Looking more closely with a discerning eye we find conditions are somewhat different, but there is still a much higher degree of immorality than we care to admit. The young people, especially in the high schools, are establishing their own standards for "belonging." In one instance, for example, the right of a teen-age girl to "belong" to a clique is determined by the number and cost of her cashmere sweaters. An alarming number of our high school girls from higher income families, are not finishing school—their education interrupted by motherhood. (See next page)

We have to take another hard look at the meaning of ethics, for our moral attitudes go beyond immediately recognizable situations. They pervade the very subconscious thinkings of our children and the communities in which we live.

These conditions can not be blamed on the businessman, because he is a businessman, but he must be ready to accept this responsibility, both as a parent and as a member of the community. And it isn't every family that neglects its responsibilities. No, every businessman isn't weak and immoral, but there are enough who, by their family, social, and business behavior have caused concerned Americans to speak up and warn of impending disaster unless the downward seeking curve is checked.

A flimsy commitment—

There were many sociologists, business executives and members of the clergy whose anxieties were aroused over an impending moral downfall. When figures, revealing the great surge of people enrolling as members of virtually every faith and religious institution, were published shortly after World War II, the anxieties and pessimism of these men were quieted. Here was a return to religion. But the flourish of religious membership is now recognized as a completely false barometer. It represents only membership. Actual attendance, participation, and study is weak. Our churches and

temples have become, for too many, merely meeting places, of secondary importance to the "Country club." Personal commitment to religious precepts is generally flimsy and without depth. Of course there are outstanding examples to prove that there are many who are devoutly committed to their religion, and who make sincere and earnest efforts to abide by it and bring others into a better understanding of God's purpose for man.

It is true, of course, that wherever masses of humanity congregate, the frustrations and consequent problems of immorality are multiplied. Man loses his sense of purpose, and his goals are dampened by the complex of the whole sociological structure. God, and all the goodness which the Divine represents, is fogged over. It is here where labor-management woes are exaggerated. Rights of employer and employee are confused, mis-stated and often distorted. Lacking a recognition of divine goodness, creates a void in the understanding of fellow man. Man's own evaluation of self is reduced, hence his will to achieve, and to serve, and to understand is derailed by a false evaluation of the material fruits of life.

And, again, this has a very definite relationship to the productive capacity and standards of quality sought by the company, together with the code of ethics which it professes to uphold.

"The businessman," says Dr. Finkelstein, must "overcome his anti-in-

tellectualism" and try to gain knowledge that will clarify the problems of wise decision making. He must show that he is prepared to preserve his own moral life and that of society through constant reminders that he has values in life "above profit or economic security."

Other forces at work—

Let us take a look at what is happening on the American scene which has all the earmarks of a healthy advance in the right direction to dispel our fears for a complete moral decay.

With a better understanding of the arguments presented by labor and management, one clergyman has changed his entire approach in his preaching and counseling members of his parish. He had gained the opportunity of talking out their arguments, resulting in a better comprehension of their particular viewpoints. Where he once denounced oppression by certain unions, he now can be more tolerant of expressed ideals and will argue in their defense. And he has changed his thinking about big business.

The big wheel, behind the big desk in the big plush office, had at one time been painted as a lucky guy who had fallen heir to "all the breaks." At least that is how he was painted in the figment of the imagination of the Rev. Hugh White.² But he found himself in the big wheel's big office—talking to him about his job, what he did, how he

spent his time, what his responsibilities were. "I have a decidedly different picture in my mind now," claims Mr. White. And he has "a far better understanding of the responsibilities of management. Here I found an ever-present awareness of the moral implications necessary in every decision."

More and more we hear of staff meetings, board meetings, and management sessions of every nature at various levels opening with prayer and meditation. The clergy of every major faith are finding their way into offices and plants. Increasing their understanding of man's work-a-day problems and anxieties, rabbis, priests and ministers can all become more objective counsellors; teachers of a better spiritual life for a society which has become increasingly material-centered.

A contribution to the whole—

Since the economics and moral health of American business and the nation is determined by the moral health of society, it becomes the responsibility of every participant in that society to re-evaluate his contribution to the whole.

The day when the American, the European, the Asian, or the African can live to himself is gone; we all live today more or less uncomfortably in one another's presence. In our own accounting of ourselves and

² The Rev. Hugh White, Director of the Detroit Industrial Mission, sponsored by the Episcopal Diocese of Michigan.

our mode of living, we necessarily disclose what we really are, what we really believe. This is the expressed thinking of Charles H. Malik, new president of the U. N. General Assembly.³ Mr. Malik provokes our own thinking, when he says that in this fearful age the real competition "... is not so much in material things as in fundamental convictions; and the American businessman has a right to be heard and respected if he really believes in something . . . something fundamental, deep and true."

On a broader horizon, businessmen are being challenged by Com-

munist; a challenge which is directed not only at the quality of our products and at the nature of our economy, but a challenge which is posed toward the quality of our way of life.

Speaking for the American men of business Mr. Malik declares, "Let others compete with me in material things, and let them even excel; but there is one thing in which they can not excel because they do not know it or even seek it." That is the power and depth and freedom of the spirit in which man is fully himself. But this power will only be true when moral blindness is abated and we continue to ethicize our business conduct and abide by a purer sense of a moral credo.

³ George Malik; President of the U. N. General Assembly, Lebanese diplomat and former professor at Harvard Univ.

Seminar Discusses Business Ethics

It is interesting to note that during the recent 78th Unity Management Seminar, held at NMA headquarters in Dayton, O., considerable discussion was devoted to the "dignity of man." In panel presentations on arbitration, for example, great emphasis was placed on the moral influence of the worker and the supervisor; this being an important factor in the treatment of grievance cases.

Also, in the area of management ethics, it was agreed that the company's adherence to a high code of ethics was ultimately manifested in a sound, healthy economic structure. The undertones of the seminar discussions, formal and informal, pointed to the necessity for supervisory personnel, at all levels, to set proper examples; in short, to "practice what they preached."

By far, one of the most challenging topics introduced at the seminar was the "professional approach" to management. To achieve and maintain any degree of professionalization, management men must first establish a firm moral code, and abide by it; developing this same desire in others.

Cost or Demand

Labor costs and "fair profit" now tend to dictate prices rather than consumer demand—says N.Y.U.'s Institute of Economic Affairs.

MANAGEMENT IS CITED to be more influenced by costs than by consumer demands according to an article in a recent issue of "Challenge" magazine, publication of the Institute of Economic Affairs of New York University.

The authors of the article are Benjamin Caplan, economics consultant, and Joel B. Dirlam, associate professor of economics at the University of Connecticut.

Mr. Caplan and Professor Dirlam point out that while this policy of reliance on standard costs keeps prices up during production declines, it also holds them back during boom periods. Thus, in a time of prosperity "business does not seek all that the traffic will bear."

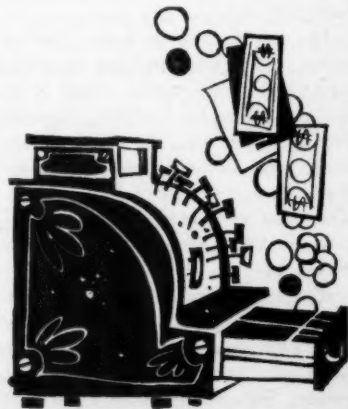
The authors cite these pricing practices of four well-known firms:

—General Motors "first plans the features of a new automobile, estimates minimum possible cost, and adds a profit of 15 to 20 per cent on the investment."

—U.S. Steel "explains its pricing in terms of what it calls 'a hard-

boiled application of standard costs in pricing individual products.' It makes annual revisions for changes in labor costs. What it regards as a 'fair profit' is part of the final price."

—International Harvester "makes more elaborate cost calculations than G.M. or U.S. Steel. It compares normal costs, based on an estimated utilization of capacity projected from the experience of past years, with the company's experience each year



at the close of the manufacturing season."

—Kennecott Copper Co. "has tried, without much success, to sell at prices differing from the wildly fluctuating world price. It emphasizes the importance of stable inventory values for fabricators rather than the return over cost."

Not all large firms set standard cost plus fair-profit goals for their pricing, the authors report. "The meat packers, for instance, sell in a market where prices fluctuate so continuously that cost studies can serve only as a check on internal efficiency. General Electric and International Harvester press their engineers to make costs match what seems to be the necessary price on a product."

The big corporations also report that, despite careful planning, they cannot always attain their pricing goals, the article states. Esso has said that "the normal price structure rarely obtains."

Mr. Caplan and Professor Dirlam point to the steel industry to illustrate how price plans resist sales declines. Despite an idle capacity rate of 50 per cent, the steel industry raised prices four dollars a ton after the wage adjustment of July 1, 1958. The raise was based on the calculation of what the new wage costs would be.

The authors note that the decline in industrial production during the 1929 depression was almost twice as great as the decline in industrial prices. But if the price drop was

reluctant then, they add, it was almost nonexistent in the last recession. Instead of a two-to-one ratio between production and price drops, the ratio in the 1957-58 recession was twenty-four to one.

"We are witnessing a movement into an economy where there are working concepts of a 'fair wage' and a 'fair profit,'" Mr. Caplan and Professor Dirlam conclude. "Because of the wide margin of discretion, the beliefs of the price-makers about what is right and proper have a good chance of realizing fulfillment."



"Please hurry, sir! I'm parked in a 15 minute zone."

Training for Future Executives

Unlike many training programs stressing specialization, this one is tailored to provide "broad experience and exposure"

by Thomas A. Dickinson

AQUAINTING young college graduates with the overall aspects of company operations, policies and the thinking of management executives is frequently considered to be a difficult project. Often it is.

However, a two-year management trainee program recently inaugurated by Ryan Aeronautical Co., San Diego, Calif., has been tailored to acquaint young college graduates with the overall aspects of company operations and the thinking of top-flight executives at a minimal cost to everyone concerned.

According to Donald S. Clark, Ryan training supervisor, the specialization common to most industrial training programs is being avoided in this instance because:

"We have a need for people with broad experience and exposure—men who are familiar with all phases of our business, rather than experts in relatively narrow fields."

A majority of the program's

trainees have been (and will be) recruited by a company education committee as the result of springtime interviews at San Diego State College, since many graduates of this school are acquainted with Ryan's work and have a natural desire for local employment. However, some come from other campuses and several are experienced Ryan employees.

For example, one college graduate who had been with the company four years voluntarily took a salary cut in order to become a management trainee when the program began.

Ryan's management trainees receive less pay than "direct" employees in comparable brackets for obvious reasons, but their salaries in any event are far from penurious. A man with a B.A. degree, for instance, starts at \$400 while the possessor of an M.A. degree gets \$425 a month.

All trainees will receive 5% raises

every six months for two years. In addition, each is entitled to a paid two-weeks vacation at 12-month intervals.

Following a 24-month training period, the men will be drawing \$486 to \$516 monthly and can advance as rapidly as opportunities and their respective abilities will allow. All should be getting as much pay as regular employees with equivalent responsibilities in three or four years, after which they will begin to move ahead.

Aside from educational background, Clark says, the factors that indicate the selection of a Ryan management trainee include personality, ability to think, appearance, general character, leadership, and courage.

Because it costs little more than what the trainees draw in salaries, Ryan's new program has economic virtues that might be advantageous to many other firms in a variety of industries. This is how it works:

After reporting each morning to the training department, the trainees go to their current assignments—in quality control, public and employee relations, material, contract administration, sales, finance, manufacturing, or engineering—where each man works the same as a regular employee. Assignments are such that every trainee will spend three or four weeks working in each Ryan department.

Further, the trainees attend special classes arranged by the training department. These deal with such

subjects as work simplification, and usually take two hours a week—half of it on company time.

In all of their activities at Ryan, the trainees carry notebooks for the purpose of recording facts and impressions with reference to company operations. Each notebook is checked once a month by the training supervisor, who says the ideas therein are doing much to defray the cost of developing future company executives.

Every Friday afternoon, the trainees get together and discuss their problems. A different man serves as chairman during each of these conferences, and everyone is encouraged to voice constructive criticism of the company's policies and practices.

Monthly conferences bring the trainees in contact with members of Ryan's education committee, members of which include upper-echelon executives from five of the company's eight operating divisions. During these sessions, both committeemen and trainees are expected to ask and answer questions—the objective being to familiarize trainees with management's reasoning, and simultaneously to enable company executives to consider the trainees' suggestions for improvements.

How successful this new program will prove to be . . . especially for Ryan . . . can not be determined now. But it is a fair assumption that they aren't going to lose anything while building a healthy relationship between management and trainee.

When the Living Was Easy

Once again we have persuaded Henry John Colyton to come up with a series of interesting articles on the ancients. Beginning with this issue, the author takes us back to early Egypt, to be followed by similar visits to ancient Greece and early Rome.

by Henry John Colyton

WE AMERICANS have always been dedicated to the theory that hard work is noble. It is part of our Puritan heritage. McGuffey's readers, which influenced the lives of thousands of Americans and their children and grandchildren after them, are full of stories like "Hugh Idle and Old Mr. Toil." Poor little Hugh ran away from home, you remember, because he had a stern schoolmaster, Mr. Toil by name. Hugh encountered in his travels all kinds of fascinating occupations that he wanted to try because they seemed to be such fun. But directing every activity, whether it was a dancing school or soldiers in gay uniforms on parade, was a stern-looking party who bore a strong resemblance to old Mr. Toil. At last, discouraged, poor Hugh went home and returned

to the schoolroom. Toil was everywhere!

Other American success stories, both fictional and true, have celebrated the careers of poor boys who worked hard and rose to fame. One of our most popular Sunday school hymns is "Work, for the night is coming."

So we have to adjust our thinking when we study history. For history began *where the living was easy*.

Climate had to be right. Extremes of heat and cold are hard on human thought. When the weather is so hot that a little mild exercise starts the sweat, or so cold that all life's activities are reduced to keeping sheltered and keeping fed, there won't be much constructive thinking done.

A certain measure of security was also a requirement. A man being chased by a bear may do a lot of

frenzied cerebating, but it had few permanent effects.

The results of toil had to be encouraging. It was a wonderful help to early man to know that if he scratched a furrow deep in rich volcanic soil or in the mud flats left after the spring floods, his crops would be better than those of his neighbor who merely tossed the seed around. Or, if he took some care with his boat building, caulking the seams with pitch, the craft wouldn't come apart just as he was homeward bound with the results of trading with the people on the other island. With praise to his gods, Ra or Zeus, the happy citizen had launched on a better and more profitable way of living. He had time to stop and catch his breath. He watched the bright wheeling stars at night, observed the process of the seasons, and enjoyed fairs and feast days. He even made a song or two, and delighted to hear the girls singing his songs as they gathered around the village well or drove the cows home for milking.

And in this way our civilization began, thousands and thousands of years ago, around the blue inland sea of the Mediterranean, along two fertile river valleys . . . the Nile and the Tigris-Euphrates.

The Nile made Egypt, and Egypt made the Nile. When the melting snows from the mountains of central Africa swelled its waters into flood-tide, they ran over the desert sands, leaving rich mud deposits. As soon

as the water went down the farmers planted their crops, watched them grow quickly under the bright sun (no wonder they worshiped the sun under the name of Ra) and harvested their crops. There was bread in plenty, then, and beer, too. Also, there were taxes. However, unless the waters were controlled, Egypt would alternate between flood and drought. Some thoughtful Egyptian figured out that some of the ram-pageous Nile water could be collected and saved for dry times when it would be needed. So an elaborate system of canals, dams, and storage lakes grew up to bridle and contain the precious water.

The Nile also taught the Egyptians mathematics. They started, perhaps, by measuring the depth of the Nile flood; important, because on that depth their living depended. They figured out the amount of land lying under flood waters; this helped in the computing of taxes.

Egypt was a true socialist empire, with the Pharaoh as the absolute ruler. Everything belonged to the king, who was supposedly the son of the Sun. Everyone was his servant, from the farmer to the district governor. Governors and village chiefs rounded up the labor to maintain the dams and canals. They collected taxes in the form of grain at the end of the harvest, and these harvests were carefully stored in the charge of officials. Then a quarter of the harvest went back to the people who had produced it; and the rest paid

the expenses of the administrators, non-farmers, priests of the gods, and the king himself. A portion was kept in the storehouses, however, as security against a lean year. The story of Joseph, in the Old Testament, shows what an impression this forethought made on the nomadic Hebrews of the time.

However, you can't carry on a bureaucratic government without records. And so early Egypt developed the art of writing. At first very clumsy, like the rebus puzzles of our childhood, the writing later became flowing. Today we can read these records, and a whole busy, varied civilization is revealed to us.

Egypt enjoyed the comforts of this first time civilization. Her artisans made beautiful glass. Her artists were talented and skillful. She had physicians and surgeons—they used combinations of voodoo and catch-

as-catch-can remedies, but they made some remarkable cures. Because the Egyptians believed that the soul, to have eternal life, must have an eternal body to rest in, they developed the art of embalming.

Regardless of their social status, everybody had to work for the Pharaoh, and everybody seemed to have fun, as well. In their picture writings, we see the Egyptians hunting birds in the Nile marshes, enjoying horse and foot races, playing chess, getting drunk, tootling flutes, playing harps. The girls went in heavily for lipstick, rouge, and wigs as fancy as ours today. They were not veiled, or confined in harems, either. They bargained in the market places. The Egyptian bedroom boasted sheets and stuffed pillows, and the charioteers wore gloves. Civilization implies a degree of comfort and fun, and Egypt passes this test with ease at a time when our own ancestors were shivering in caves and hurling spears at the neighbors.

Unfortunately for Egypt, she too had neighbors—neighbors who envied her prosperity and her "gracious living." Envy is a powerful force—in the end it would bring the glory of Egypt down into the dust.

* * *

The rich valley that lies between the Tigris and Euphrates rivers in what is modern Iraq was one of the "Main Streets" of ancient times. Wandering tribesmen from the hills to the north staked claims for them-



selves and their families in the fertile bottom lands, until still other tribesmen "jumped" these claims and took over.

Outstanding among these early settlers were the Sumerians. They descended into the valley and found prosperity waiting for them. The primitive farmers had already invented the wheel, and had worked out an irrigation system which prevented disastrous spring floods and nourished the crops. The Sumerians, an intelligent lot, continued and developed these useful practices. Agriculture was their religion, and the plow and the use of manure increased their crops immensely. Silver, the pretty white metal which they found in the mountains, soon became useful to them, too. They learned to weigh it, cast it in ingots, and use it in making payments—and of course in making jewelry for their ladies. They started something . . .

But the first coinage of money was not the only remarkable accomplishment of the people of the "Land between the Rivers." Where Egypt had practiced socialism on a grand scale, Sumer—or to give it a more familiar title, Babylonia—practiced the principles of a free economy. Private property was recognized, and all the machinery of capitalistic enterprise was set up. They used contracts, promissory notes, letters of credit. The clay tablets on which business was transacted, in the careful, wedge-shaped "cuneiform" writing of the Sume-

rians, have come down to us. We can read how officials collected taxes in the form of farm animals, herded them into parks, and used them for religious sacrifice. Or the stock would be put out on loan to farmers who might need a donkey or an ox. Accounts of collected barley, dates and oil were written down.

This wonderful civilization absorbed and reformed invaders. Irrigation canals were kept up, poems were written, and the city of Babylon was made glorious with sculpture. And the name of a great ruler has come down to us—the first law-giver of the world, King Hammurabi.

The remarkable code of law which this king set up finds echoes in the Ten Commandments and in our own law courts of today. The civil division of the code established monogamy, controlled the power of a father over his children, and made landowners responsible for the canals on their estates. The code of procedure set up courts, religious and civil, and compiled rules of evidence. A penal code provided punishments to fit the crimes. And there was a commercial code which regulated interest, fixed prices and wages, and further organized caravans into transport companies.

Some nameless northern brigand, in the days after Babylon's glory had departed, stole the column which Hammurabi had set up to record these laws. It was discovered in modern Persia, intact except where the robber had cut a clean space to

record his own name. Something, probably fatal, interfered, and he never got around to it. But the code is with us today to show how law and order first came into the world.

Ur, Babylon, Nineveh, Kish,—the names of the ancient cities of Babylonia are familiar to those who have studied the Old Testament. For Abraham came from Ur, and Ham-murabi, a soldier as well as lawgiver, was one of the kings who invaded Canaan during Abraham's lifetime.

So rich a country as Babylonia could not help but attract the attention of greedy barbarians from the North. Again and again it was invaded. For a while, its glory was revived under the fierce Assyrians—the ones who came down like the wolf on the fold. They were talented in bloodshed, but accomplished nothing constructive. At last the red dust drifted over the ruins of Babylon, the Hanging Gardens crumbled away. The Tigris and Euphrates rivers, which had brought easy living to the rich land, had shrunk into silted creeks, their canals and ditches forgotten. But the civilization which had been born between the rivers had not been lost.

* * *

The sea, once man stopped being afraid of its big rollers booming in on the beaches, was an instrument of civilization like the rivers. Midway, almost, between Egypt and the Greek peninsula, in the Mediterranean, lay a large island surrounded by stepping stones of smaller islands—Crete.

When the Egyptian civilization was beginning, 5,000 years before Christ, a few hardy wanderers from the north settled on the island and began trading operations. The islands were not far apart, even for the little skiffs with their rags of sail. The Cretans traded, swapping this for that, oil for wood, wine for copper. They soon established trade relations with Egypt, and evolved a written language of their own, handy for business purposes. When some intelligent metal worker learned how hard a copper axe could become if you mixed a little tin in the melting pot, a new age of prosperity began for the Cretans.

Everybody wanted the convincing bronze axes and swords. To keep up with the demands, the daring Cretan sailors sailed as far west as Spain after the tin, which was brought to the water's edge by the barbarians from the farther north. The products of the olive orchards and vineyards of their own rocky island and those of their island neighbors were desirable trading goods anywhere. These adventurous sailors brought luxuries from Egypt to adorn their own villas and the royal Cretan palace of Knossos—which had bathtubs and water closets as well as gold ornament and richly painted columns.

The Cretan way of life was one of luxury and pleasure. No one knows better how to enjoy himself on land than a sailor. The Cretan ladies, charming in their tight-waisted, low-cut gowns, delighted in a gallantry

that was lost to woman for many centuries. Festivals and laughter filled the Cretan homes, and everyone enjoyed the periodic bull-wrestlings that were half religious rites, half festivities. These events saw equality between the sexes, for high-born girls took pride in doing nip-ups over the backs of the long-horned bulls along with the young men.

We can look at their happy way of life only on a few vase-paintings and sculptures in ivory and gold. For again the jealous northern barbarians invaded the early seat of civilization. Looting, burning and slaughter ended the happy Cretan

empire. Its written language never had an interpreter. But it gave the world sea-borne commerce and a desire for better things.

And it paved the way for a new race, made up, like our own, of many bloods, which was to give the world some outstanding lessons in civilized living—the Greeks.

SOURCES: *History of the World*, Rene Sedillot, pub. Harcourt, Brace & Co., 1951; *The Mediterranean*, Emil Ludwig, pub. Whittlesey House, 1942; *The Story of Mankind*, Hendrik van Loon, Garden City Pub. Co., 1938; *The Greek Way*, Edith Alexander, in *National Geographic Magazine*.

"Tell me," one married man asked another, "are you able to earn money as fast as your wife can spend it?"

"Yes," replied the other. "My wife's spending doesn't bother me. It's the government I can't keep up with."

Meat on the Table

To help find the quickest and best way of combining quality, quantity and economy in beef production, researchers are now using a general purpose digital computer, designed by the Computer Div., Bendix Aviation Corp.

Vital statistics concerning breeding, efficiency of production, mothering ability of cows(!), and various feeding and digestive studies on different breeding groups will be processed. This new mechanical

laboratory assistant will be programmed to determine and interpret trends in production of beef cattle and allied livestock projects.

The installation has been made at the Dept. of Animal Industry and Veterinary Science at the University of Arkansas.

No longer can we merely ask for our favorite cut of steak. Now we make certain that it has been thoroughly "digital computer-ized" for best table quality!

The Flying Instructors

"Excuse me, but I've got to fly if I'm going to get to my three o'clock class."

When Dean A. Edward Patmos, director of Wittenberg College's Management Development Program, makes such a statement, he's not joking.

For Dean Patmos and two other members of the Wittenberg staff are flying regularly this fall to Indianapolis to teach a course in the "Principles of Economics."

The students in the course, 32 of them, are top management personnel from the Indianapolis plant of the United States Rubber Co. The class meets from 3 to 5 p.m. every other Wednesday, with a total of 13 sessions scheduled before the course ends in April.

To meet these classes, Dean Patmos and Profs. Lynn Timmons and Robert Schultz "commute" 100 miles by air from Cox Municipal Airport, Vandalia. They are met at the Indianapolis airport by a company car which rushes them to the company's plant in downtown Indianapolis. Following the class, the "flying instructors" return to Vandalia by air.

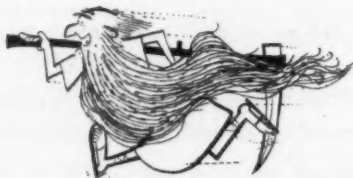
The course was requested by John Cady, factory manager at the Indianapolis plant. It is designed to give top management personnel, many of them engineers, an understanding of economic principles as they confront management problems.

The Indianapolis class is an outgrowth of the Management Development Program started in 1951 by Wittenberg. Since that time more than 3,500 graduation "diplomas" have been awarded to industrial supervisors and foremen from 170 companies in 25 states. The "diplomas" are awarded at completion of the one-week programs on the campus.

The program was started as a means of upgrading industrial supervision through intensive orientation in the areas of business operation, communications and personal development, human relations and economics.

Preparing for RETIREMENT

by Jayne Ellison



*Here are two schools of thought
on the problems of what we all
hope to enjoy.*

RETIREMENT has always been the pot at the end of the rainbow, enchanting in its illusiveness and zealously sought after by young and old alike.

It has seemed to be the zenith of life, time to lay aside working tools and enjoy leisure, free of clocks and pressures.

There are, it appears, two schools of thought on retirement, and here are two examples of the wide diversities regarding the non-working status.

Alfred L. Flesh, who is the retired president of Atlas Corp., Piqua, and Olaf Rasmussen, who was chief engineer of Moraine Products Division of General Motors until 1945, are the two sides of the coin.

They have a great deal in common: both are men of production,

both creative and aware of esthetic values, both want freedom to do as they please. Similarity ends there, however, for Rasmussen was ready for retirement, the end product of long-range planning, while Flesh was astonished to find himself victim of compulsory stepping-down.

Two years in retirement have given Flesh pause to ponder, and he considers retirement preparation of paramount importance to the individual's well-being and contentment. Preparation for retirement, in his opinion, should be started at an age not later than 40 years.

"Any man who discusses compulsory retirement from experience is qualified to speak," Flesh said. "Three major factors make each man's experience unique, yet applicable to all: health, economics and develop-

ment of new interests are the keys."

His first observation is that retirement arrives sooner than expected, with many executives unprepared.

"I had always loved my work, since it combined selling, development of styling and financial responsibilities. I had contemplated retirement as a period to indulge my hobbies of writing and travel. But I found neither of them answered the problem. I couldn't paint a barn, but took up painting and drawing. It helped some to relieve the pain of missing my work. It served as a counter irritant."

Two years later, Flesh is still developing new interests and is mastering his apathy. He is credited with developing the raglan sleeve in the knit goods industry and has recently been appointed to a national committee to study problems, current and future, in the textile field.

He has had to focus his attention on enterprises not in conflict with his own company, since he concluded that work was the sole answer to his retirement problems.

Rasmussen, on the other hand, is spending his retirement on a Lake Erie peninsula, where he sleeps, eats, works and plays when the spirit moves him. He decided to be the captain of his own ship, both on water and on land, in 1945 at the age of 51.

Danish-American, Rasmussen had a long career in design, research, patent sections, with General Motors.

But before that he had worked in machine shops of American Tobacco Co., in New York, following his arrival from Denmark, with \$3.50 in his pocket.

He worked for nine cents per hour as an apprentice, went to night school, walked to save car fare and learned cobbling to replace worn sole-leather.

"I wanted to be free to do what I wanted to do and believe such plans should be shaped by the age of 25," Rasmussen said.

"Creativeness flourishes in the luxury of time to think and analyze. First step is to decide what one wants from retirement, set the course and sail to it. Men want personal freedom and isn't this the rainbow everybody chases?"

Rasmussen weathered the depression, during which time he bought insurance against the next one. He had a 40-foot cruiser built, which he viewed as a home for his wife and three children, if financial crisis threatened. He called it "a cushion against another depression."

He then, since his Danish heritage automatically builds in a love of the sea, sought and found a water-front farm fronting on Sandusky Bay, in Lake Erie. Salt air is the only missing ingredient.

Devaluation of the dollar found Rasmussen steadfast in his belief that money was the most unstable security in the world. He had expected his farm, plus \$100 per month from

bonds, to provide adequately for his wife and children.

He says creative talent and real estate are the best assets for retirement.

Rasmussen elected to take six months to sleep and ponder his future, completely relaxed from pressures of working. He had volunteered as an orderly in a Dayton hospital during World War II and re-designed the surgical preparation razor, aimed at painless and speedy use. He had also re-designed a tubing clamp in hospitals, for more accurate rate of flow and ease in adjustment.

Turning to these re-designs, Rasmussen started manufacturing the two items, soon followed by the "Psycho-Razor," which is used in mental hospitals. This razor locks with a key inserted in the handle, thus making it impossible to remove the blade. Rasmussen and his employees have sold 20,000 of the safety type razor, making it possible for mental hospital patients to shave themselves without injury.

Three of Rasmussen's relatives, either blood or by marriage, have come from Denmark to work on the project.

What kind of life do they all have? "We have no time clocks. There is a certain amount of work to be done, but we all pick our times," Rasmussen explained. "If the fishing is good, the shop is quiet, or the women may be counting and sorting.

Rasmussen, who suffered a coro-

nary attack after retirement, sleeps late, often naps in mid-afternoon, works when so inspired and pilots his boat among the Lake Erie islands.

He says success, in retirement or along the way leading to it, is certain for the man who does justly, loves mercy and walks humbly, after a motto attributed to the late Dayton industrialist, John H. Patterson.

His counterpart, Flesh, lists five recommendations which he believes would make retirement easier:

First—Cultivate solid interests in hobbies, creatively stimulating.

Second—Use all available "fringe" benefits for additional knowledge and skills.

Third—Evaluate ready talents, which can be used in other enterprises or community activities.

Fourth—Learn to delegate responsibility earlier, to set a pattern of lighter work-loads, with less emphasis on routine administration.

Fifth—Be aware that times passes quickly in middle-age and the "I'll do it tomorrow" philosophy may turn retirement into a nightmare, rather than the zenith of personal freedom.

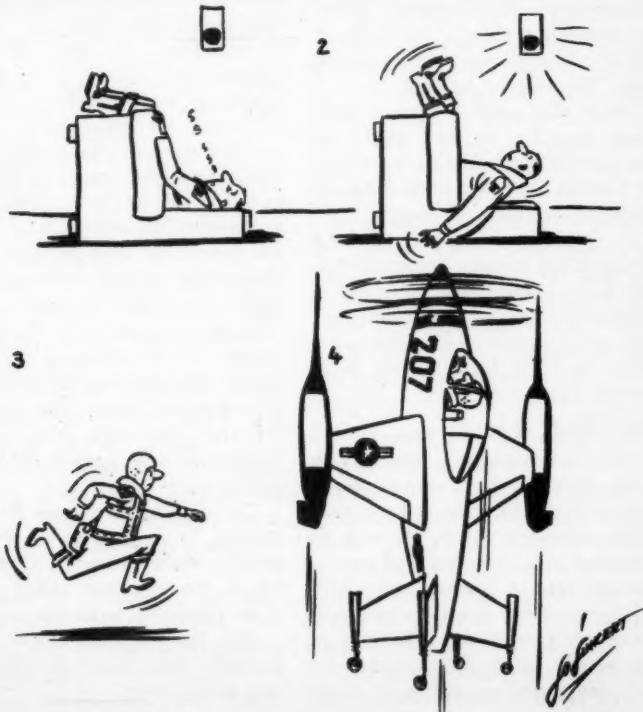
From Buffalo, N. Y., we get some additional comments on retirement from Arthur F. Marmoy a former national director of NMA, who after a year or more of leisure says, "To obtain deep down satisfaction you must think and act in a realm outside of your own self. You must resolve to give of yourself by serving fellow men."

Marmoy gets more explicit when he adds, "Get active in some kind of service to your church, your club, your local government, political party, the Community Chest or other important agencies in your home town."

It has been his experience that only as he has lost himself in "service" has he found any real satisfaction within himself. In closing, the former Worthington Corp. executive

explains, "Be optimistic and praise God that you are able to retire and enjoy life . . . yes, you'll enjoy your retirement! You'll enjoy it much, much more than you think now! Above all remember Robert Browning's words:

*'Grow old along with me—
The best is yet to be—
The last of life, for which
the first was made.'*"



ACT ON FACT

by James Black

IT WAS AN HOUR OR SO after lunch period. Foreman Berry (name fictitious) was making a tour of his department. Suddenly he spotted an employee—whom we will call Tom Cannon—at work on the polishing line and not wearing goggles of any sort.

Berry approached Cannon. "Where are your safety glasses?" he inquired.

The employee pointed to a nearby table. "Over there," he said.

"Well, they won't do you any good unless they are on your head," replied the foreman. And he waited until Cannon had put them back on before he continued his rounds.

A simple incident, you think—a conscientious foreman giving elementary safety instructions. Yet it led to a grievance and an arbitration case. Not the incident itself, but what grew out of it. Here are the background facts on the case.

The "Eyes" Have It

The manufacturing company where Foreman Berry was employed had been visited recently by a state safety inspector. After his tour of the plant this inspector had recommended that all buffers and polishers wear safety glasses. Complying immediately with the directions of the state's Labor Department, the company issued the necessary orders

together with goggles until prescription ground glasses could be supplied to employees. The state safety inspector had agreed that goggles would be an acceptable temporary substitute for prescription glasses, and had set a 45-day period during which time the company was able to secure the specified equipment.

However the buffers, who worked soft wheels not designed to cut metal, complained goggles were not necessary on their jobs. The state inspector was asked to return to the plant—restudy the operation. This he did, agreed that the buffers were right, and exempted them from the order. But not the polishers—they were still directed to wear goggles until safety glasses were issued.

Two days after Foreman Berry had warned Tom Cannon to wear his goggles while operating a polishing wheel, the employee called to him as he passed his work station.

"Mr. Berry, I need a new pair of goggles. I put mine in my hip pocket and sat on them."

"Okay," said Berry, and issued another set.

Three days passed. Once again Foreman Berry noticed that several men on the polishing line were not wearing goggles.

"Fellows," he said, "you know the orders. They are posted. You must put on your goggles while you are working."

"We know," answered the employees, "but these safety goggles have badly scratched lenses. They interfere with our vision."

Berry examined the equipment. "I'll get you others," he replied. As he turned to leave he saw Tom Cannon at work, his goggles beside him on the work bench.

"Tom," he said, "I told you it would be necessary to wear goggles. Soon we hope to equip you with prescription ground glasses, but until then you must use goggles."

Cannon didn't like it. "See here," he said, "I can't work in these goggles. They fog up and give me a headache."

Foreman Berry examined them. "They're brand new," he said. "They are the second set of brand new goggles I have given you. You know the safety directive of the state inspector. You are required to wear goggles until prescription glasses can be supplied."

"I know all about what the state inspector said," replied Cannon, "but I'm not going to wear these goggles 10 hours a day."

"Unless you do, I'm afraid I can't

permit you to work," said the foreman.

The Cannon that exploded

This infuriated Cannon. Snatching the goggles from his bench, he flung them to the floor and ground them under his heel.

"You can take those safety goggles" His language was explicit and profane.

Foreman Berry kept his head. He stooped down, picked up the smashed goggles (afterward offered as an exhibit in the arbitration), and quietly replied, "Cannon, I don't intend to tolerate such language. You can get your time card and punch out. Until you are in a more reasonable frame of mind and are prepared to wear your goggles, you will not be permitted to work."

The foreman's orders were reasonable, the company safety regulation was clear. Tom Cannon was flagrantly insubordinate. There was no other course his supervisor could take—that is, if he wanted to preserve departmental discipline—but to punish him.

Punishment and appeal— the union's argument

Immediately after the incident, Foreman Berry reported the matter to his management. After considerable discussion and a review of Cannon's record it was decided that he should be penalized by a two weeks' disciplinary lay-off.

You might think the employee was fortunate not to be dismissed

after his outburst of temper, but Tom Cannon didn't think so. He believed he had been handed a "raw deal." His grievance read, "On (here he gave the date) I was told I would receive a two-weeks' lay-off for insubordination. This discipline is not only improper, it is unjust. I want pay for the time off and I want my record corrected regarding this alleged offense."

Management denied the grievance. Eventually it came before an arbitrator. Yes, cut and dried though the dispute seems to have been, the union went all out to get the foreman's decision set aside. Here is how it defended Tom Cannon:

"We admit that the state inspector required all polishers to wear goggles.

"We admit that the company was given 45 days to supply employees with prescription ground safety glasses and that goggles were to be used during that period.

"We admit that the so-called offense occurred before the 45-day time limit had expired.

"But Tom Cannon was not issued new goggles—he was simply dissatisfied with his imperfect second-hand pair.

"The language used—language the foreman calls abusive—is ordinarily used in the shop, not only by employees but by company officials.

"Furthermore, Cannon was not at his work bench when the foreman talked to him. Therefore he was not required to wear goggles.

"Finally, as soon as Mr. Berry left after telling him to punch out, Cannon put on his goggles and returned to work. This proves he did not disobey orders. In fact, Cannon did not leave the plant until he was told to do so by Mr. Berry's superior. Therefore his punishment is unjust. He should be reinstated, his record cleared, and given his pay for the time he has lost."

The company's case

Foreman Berry was the company's chief witness. He explained the sequence of events that had led to the incident, pointing out that he had warned employee Cannon twice that all personnel operating polishing wheels would have to follow the state's safety directives as spelled out in the company's posted regulation.

"As to Cannon's contention that the goggles were imperfect or secondhand," remarked the foreman, "he knows that is incorrect. I examined them myself. Furthermore, Cannon received those goggles packed in their original box so they could not have been 'used' as he has claimed."

The supervisor proved a calm, matter-of-fact witness. Under the union's sharp cross examination he remained completely unruffled and told a factual, to-the-point story. Unshaken by the questions fired at him by the union's representative, he repeated that he had twice given the employee reasonable orders, which the latter on the second occasion had

absolutely refused to obey. This was insubordination. Disciplinary measures had to be taken.

Decision of arbitrator

The arbitrator considered the arguments. Then he said. "Cannon is a polisher. He is subject to the safety regulation which directs employees in his category to wear goggles. The company posted the following notice in his department: 'Failure to wear goggles as directed will be cause for severe disciplinary action. You are asked to cooperate with the state's safety requirement.'

"Cannon received two sets of goggles. The first, he admitted, were brand new, packed in their original wrappers. He carelessly broke them. He was given another pair. The second set, he says, were old. Yet under cross examination he admitted they came to him packed in a box just as were his original set. This fact is borne out by other witnesses.

"Whether the goggles were imperfect or not is of secondary importance. If they were faulty, if the employee could not wear them 10 hours a day as he has contended, he had simply to see his shop steward and register his complaint. That way he could have secured another pair. So his argument that he was dissatisfied with Foreman Berry's inspection is not a valid one. His attitude, in contrast with the behavior of other employees, leaves much to be desired. When the supervisor requested these men to work with

goggles, they did so. Nor can we give any weight to the union's argument that Cannon was not actually working when he had his dispute with his foreman. The altercation took place within a few feet of the work bench, and in an area clearly under Mr. Berry's jurisdiction. It is probably true there was no need for the employee to have worn his goggles while he was talking to his foreman. At the same time it is hardly likely that Mr. Berry would have asked Cannon to put on his goggles if he were away from the bench and his polishing wheel. Also, the union's claim that Cannon did put on his goggles and resume work after Mr. Berry's departure has no bearing on the case. Actually, it could be considered as a second act of insubordination. Remember, Cannon had been told to 'punch out' until he was in a better frame of mind.

"Finally we come to the language the employee used. I must discount the union's argument that it was 'shop talk.' Admittedly, words used in the plant may occasionally be improper, and both foremen and employees may sometimes express themselves profanely. Under some circumstances bad language in the heat of argument can be overlooked. But this was not one of these times. For even if we agree with Cannon—give him the benefit of the doubt as to the condition of his goggles—we cannot agree that he should be held blameless for his unprovoked action of throwing his goggles on the floor,

stomping on them and yelling foul, abusive words at his foreman. Under such conditions the supervisor's action was completely justified. The employee's grievance is denied."

Insubordination: a difficult charge

Insubordination is frequently a difficult charge to back up. And supervisors often complain that their decisions in such matters are later set aside by management. They grumble, "How can I maintain discipline in this plant if I don't get proper support from my superiors?" They have a point. But actually their troubles may be of their own making. An employee may have an insubordinate "attitude," and yet be technically innocent of a "provable" act of insubordination. That's where even seasoned foremen sometimes fall down.

There is no argument over a company's right to discipline, even to dismiss, an employee who refuses to obey reasonable orders. Unions admit management's right to manage, and that right includes the right to discipline for insubordination. Arbitrators consistently support supervision in such cases—that is, if the foreman involved has the facts to back his actions.

However, insubordination is a broad charge. It is sometimes used when a supervisor wants to punish an employee for an "attitude," not an act. You know how it happens. A foreman has an employee who is giv-

ing him headaches. Still, he has never been able to discipline him for a rule infraction. At last the employee does something, or perhaps makes some remark, that makes the supervisor angry. All of his past frustrations are bundled up in the charge — insubordination — and he disciplines the offender. But his case is vague, fuzzy. Management has no alternative but to reverse his decision or take a losing argument to arbitration.

Foreman Berry handled a difficult encounter wisely and well. He warned the employee for not wearing goggles. He secured him a second set when the first was broken. He did not lose his head even when he was the object of an uncalled-for outburst of anger and abusive language. His discipline was moderate—Cannon could have been terminated for his offense. The arbitrator supported his decision right down the line.

You have both a right and an obligation to discipline a mutinous or insubordinate employee. Your only problem is to make certain it is actual insubordination you are dealing with. In handling situations of this kind, the following check list may be useful to you. It may help you to think before you act.

Check list on handling insubordination cases

1. Make certain your orders are reasonable and in accord with the union contract.
2. If an emergency situation arises

that causes you to give an order that may not be exactly in line with the provisions of the union agreement, explain the circumstances. Then the employee understands that under existing conditions your order is reasonable. He will carry it out, and if he disagrees he can "grieve" later.

3. Be sure your order is clearly understood. If the employee questions it, he may not be refusing to obey it. He may simply wish further explanation.

4. Never let personal bias influence your decisions. Before you charge a man with insubordination, ask yourself, "If someone else were guilty of the same offense, how would I handle it?"

5. Investigate thoroughly. Never act on second-hand information. You must be sure of your facts.

6. Never let temper get the better

of you. If you are angry, cool off before you decide what to do.

7. Be sure your charge of insubordination is proper. If the employee is guilty of some other offense, charge him with it. Don't use the allegation of insubordination simply because you think it is easier.

8. Never provoke an employee into an act of insubordination or trap him into one because you think he is an undesirable person and you would like to get rid of him.

9. Never permit "face" or pride to influence your judgment. If sober second thought tells you that you are wrong, pull back before it is too late.

10. Make certain your decisions are consistent, impartial, objective and in line with sound personnel practices. In other words, set your discipline according to the offense.

This case is based on one described in the July, 1958, Labor Relations Reporter. It has been altered slightly to illustrate certain principles of supervision.

So Human . . .

Mr. Myer, store manager, was trying to decide which one of many young men in his organization he should advance to his office force.

He stood at the door as employees were leaving one night at 5:30 and watched a group of young men talking together on the edge of the sidewalk.

The street was muddy. A frail old lady with arms full of bundles was crossing the street in front of the

group. Her foot became stuck in the mud and one rubber came off. She put her bundles down while she unsuccessfully tried to put on her rubber.

All watched, but one young man dashed from the group, steadied her, got her rubber on, picked up her bundles in one hand, helped her across the street with his other.

The manager's decision was made, that young man got the advancement.

Updating our English

Let's be ready for the Space Age with a modernized, jet propelled vocabulary.

by L. K. Sknul

THE PAST FIFTY YEARS have seen remarkable changes in our world. Whole new sciences have appeared; entire industries have sprung out of the very ground to support them. But has our language kept pace with this rush of science? The answer sadly is *no*. Our English is still couched in medieval, pastoral, archaic terms. There is no escaping it; we are forced to use an antiquated system when we communicate.

In order to rectify this linguistic anachronism in an otherwise modern world, I have been working, over the past few months, on what I call the Sknul Plan for the Modernization of English. When put into effect, it will quickly eliminate the old saws that no longer cut true and will introduce into the language a bevy of up-to-date proverbs and similes. This plan will modernize English in three simple steps. They are as follows:

Step One—

Eliminate all references to man, animal, or vegetable from comparative statements in your speech. This will verbally recognize the science



proven fact that natural objects are in all cases inferior to man-made ones.

Thus instead of saying, "A rolling stone gathers no moss," say, "Chemically treated stone will not corrode."

With a little thought, any old proverb can be converted to modernized terms. For example:

"Too many automatic stirring mechanisms spoil the polymer" or, "There's more than one way to make good artificial cat skin."

The case is the same for the simile. Consider a common one, "quick as a wink." Now any physiologist worth his salt . . . excuse me . . . worth his punched card pay check . . . can tell you that a wink is an extremely slow event lasting several hundred-thousandths of a

second. Why, in a wink a good electronic computer can perform several thousand additions, to say nothing of multiplications and divisions. Why not say it then? "As quick as an electronic add."

Again we can quickly think of more examples. Do not say, "as quiet as a mouse." Say instead, "as quiet as a wire trap." Don't say, "as stubborn as a mule." Say rather, "as stubborn as a stuck gearshift."

Step Two—

Introduce more precision into your statements. This is the age of accuracy. Close tolerances are what make the machines of the modern world run smoothly. Do not say simply, "A stitch in time saves nine." Be specific. Say, "Tests by an independent testing service have proved that every stitch taken before serious thread destruction occurs eliminates the necessity of taking an average of 9.1 stitches after thread destruction."

Another example of adding precision to an old adage would be: "A nationwide survey of hunters shows that the estimated value of a bird held in the hand of the average hunter interviewed is equal to 2.0154 times the estimated value of a bird lost in bushes or other foliage."

The same holds true for similes. "As clean as a whistle just washed with the new detergent action Dren."

"As dead as a doornail driven home with the Acme 500-pound thrust Autoair hammer."

Step Three—

Think ahead when you use figures of speech. Consider the world as it will be 50 or a 100 years from now and coin . . . or I should say, automint . . . your phrases accordingly. Be cosmic in your concepts and what you say will not become obsolete for centuries.

Take the old saying, "Don't cross your bridges until you come to them." That is definitely obsolete. How much more up-to-date is, "Don't plot your trajectory until you're in orbit."

You can no doubt think of a hundred more. "There's many a slip 'twixt launching pad and target area." "Automation makes light work."

So there you have the Sknul Plan for the Modernization of English. Using this plan, we can expect to have English updated in just a few years. Within a decade our language will actually be ahead of the rest of scientific development. Scientists will no longer have to wait around for the right words to appear so they can announce their discoveries. The words will be waiting for them.

So don't let the lox evaporate from your tanks. Blast off on updating your English and be ready for the space age.

- **Editor's Note:** No doubt some of our readers will have a few choice expressions of their own to further amplify Mr. Sknul's Plan. We, and expert Sknul will be happy to receive your suggestions.

Delegating Responsibility

A thorough study in the development of managerial responsibilities and authority.

by Robert House

THE CONCEPT of delegation of responsibility and authority has been given much recognition as a necessary part of the manager's job, but little has been said about HOW such delegation takes place, or what should be considered when delegating.

Everyone has a different method of approaching this administrative problem. The following steps serve as a guide and a checklist to successful delegation.

It is recognized that the manager (the term manager here includes all supervisory people from the top administrator down to the assistant supervisor) accomplishes the objectives of his organizational unit by enlisting the aid of others. The act of dispatching to others the responsibility for accomplishment of these objectives, or partial objectives, is referred to as "delegation of responsibility." It is also recognized that this responsibility should be accompanied by sufficient authority to carry out the task.

Work-centered appraisal

Planning for delegation insures that only those actions, traits, or attributes be considered which affect the job when appraising subordinates. This planning therefore eliminates the possibility of appraisal based on personality or other intangible characteristics which are not concerned with the fulfillment of job responsibilities. As a consequence, planning for delegation guarantees that the appraisal will be work centered. This type of appraisal provides the subordinate with the information necessary for his development.

There are two classes of functions which *cannot* be delegated. These are (1) functions that concern the entire department or organizational element for which the manager is responsible, and (2) functions which are so new to the manager and his department that there is no subordinate capable of successfully carrying responsibility for them. The

manager should determine these functions and delegate the responsibility and authority for all other functions.

Functions which *can* be delegated will also fall into two classes. Those which can be delegated immediately, and those which can be delegated eventually. Of the latter, such factors as unavailability of competent subordinates or lack of familiarity on the part of the manager might prevent immediate delegation. The manager must be sufficiently familiar with the task so that he can establish adequate control points. If he is not familiar he must either trace the steps of the task, or perform it once himself before delegating it to someone else. He must have the knowledge necessary to evaluate the success or failure of the task before delegating it. If he delegates responsibility to someone without setting controls, he immediately abdicates his leadership position to the subordinate. If the delegator is asked from above about the progress of the task he may find himself in a state of ignorance.

After identifying the functions which can be immediately delegated the delegator must further analyze these functions to determine the similarities between them. They can then be grouped on the basis of similarity and delegated accordingly. In this latter analytical process, the chief differences in the functions will come to light. These differences provide logical points for division of responsibility.

The act of delegation by its very nature is a control device. By withholding authority, the delegator controls the initiation of certain acts. By giving full authority over an extended period of time he places this control in the hands of another (although the delegator maintains accountability and the right of overriding decisions). Therefore, it is essential to spell out precisely under what conditions a subordinate has responsibility and authority for the accomplishment of a given task, and by what method deviations from the planned objective must be reported to the delegator. Optimum delegation then, must be planned, and it must also be controlled.

Steps which should be followed for successful planning and controlling of delegation are presented below:

Analyze functions

One method by which a manager can improve his delegation is to set up some system to insure that he is delegating all responsibilities which he himself does not have to retain. The manager should analyze all of the objectives for which he is responsible. He must decide what function (types of work) must be performed to accomplish these objectives, and which of these functions can be delegated to subordinates.

Appraise personnel capabilities

The functions still remain to be delegated. Before this can be accomplished, it is necessary to fully

appraise the ability of your people. You must determine (a) who can best perform the required functions, (b) who can perform the functions and benefit from the experience and (c) who requires additional training before being put on his own.

On the basis of a thorough understanding of the work and the people who will perform the work, responsibility and authority can be delegated.

Define responsibilities and relationships

In delegating responsibility it is essential to clearly and precisely define the scope and limitations of the task. It is also necessary to assign the authority necessary to fulfill the responsibility. These are the most difficult parts of the delegation process because inter-personal and organizational barriers must be overcome for successful communication

between superior and subordinate. Extreme care should be taken to insure full understanding. Questions should be asked to ascertain agreement on objectives and relationships.

Establish controls

Once agreement and understanding of objectives have been reached, the necessity for establishing control points still remains. These points will be determined by the abilities of the person receiving the responsibility, the familiarity of the delegator with the functions to be performed, and the complexity of the functions.

Control by exception

Ideally, controls should be such that the only time the manager is consulted is when an exception takes place. That is, when things are not going as planned, or the subordinate feels the need of advice or counsel from his superior. This system of

Do You Qualify?

To qualify for a Management Team of the Month award, a club's entry should:

- 1—Be approximately 500 words in length, and—
- 2—Contain specific factual documentation of the accomplishment of a club project, in keeping with NMA objectives.
- 3—Concern a club project which materially benefits the sponsoring company, contributes to the development of management club members, or improves the community through the exercise of management leadership by members of the NMA club.

controlling by exception provides freedom of judgment for the subordinate and freedom from details for the superior. It develops managers from below. The benefits of such a control system are great, but the costs are correspondingly high. The risk of misjudgment is always present. After a mistake has been made by the subordinate, it may not be recognized for considerable time. This can be costly. Other systems of control require that the manager be continually looking over the shoulder of the subordinate. They rob the subordinate of development opportunities. The solution to this dilemma lies in a thorough analysis of the job and the man. By knowledge of both, errors in judgment can be minimized.

Errors can never be completely eliminated

The delegator must be prepared to accept mistakes as the cost of time savings and development of the management team. This places the absolute requirement of patience and tolerance on the delegator. These requirements are difficult to meet and demand that a great deal of self control be exercised by the delegator.

Control by checkpoints

The next most desirable method of control (from the standpoint of development and time savings) is control based on checkpoints assigned to critical stages of the task. This system also requires a thorough understanding of the nature of the

work, but places less emphasis on the ability of the subordinate. Correspondingly, it gives him less authority to carry the task through to completion and therefore less opportunity for development. It also requires more time of the manager. However, it has the advantage of minimizing risk of misjudgment. This may be the best method of control for a responsibility new to both the subordinate and superior.

Conclusion

By following the above steps the superior will find delegation more effective and less risky. It should be pointed out, however, that the original relationships spelled out between superior and subordinate never remain the same. In a dynamic economy, such as ours, the impact of economic change is felt within the firm down to the first line of supervision. This change takes place daily and therefore brings about a need for constant reappraisal of all relationships throughout the organization. This need not be a formal reappraisal, but it should nevertheless be made again and again. Coupled with this is the need for re-agreement between the manager and his subordinate. Fortunately, this agreement is often understood without expression. Unfortunately, reliance on implied agreement has brought havoc within and between departments. A safe rule is never to expect total agreement without total expression, either verbal or written.

THREE Seconds---

TWO Seconds---

ONE Second---

GO!

Is your company involved in a share-the-ride project?

by Thomas F. Guilfoyle

DID YOU EVER RIDE with a guy who was willing to risk his life, and the lives of those around him, to save a few seconds? I used to. Take the last day I rode with Harry. It started no different than the rest. When the hands of the clock got close to quitting time, Harry started shifting his weight from one foot to the other. His eyes dogged the final round of the second-hand as it crept toward the zero hour.

When the whistle blew, Harry dashed for the time clock. Sliding in line behind two men and a girl, he reached for his time card over the shoulder of the man in front, almost unseating his cap. A disgusted look and a "Where's the fire, Bud?" came back with the card. I know Harry never heard it. He hit the time clock with his card and took off.

"Good gosh!" he muttered, slowing down ever so slightly. "There's that safety man again! Checking on running. I'll never make it!"

His eyes darted back and forth,

The author of this article is not only a nerve-shattered share-the-ride, but is also Research Test Engineer for Convair, Pomona

eyeing the workers around him. He was still muttering. Finally he spotted me and his face reflected relief.

"Great, Man! Great!" he whispered as he shot past me. "Glad you're on the ball tonight!"

We were out of the safety man's range by this time and he broke into a run, yelling for me to follow.

"Take it easy!" I yelled back. "I've been working all day and I'm tired!"

He continued to run anyway, his thermos pounding inside his lunch pail, echoing his resentment at every step.

Harry reached the car first, opened his door and had the key in the ignition before the door slammed shut. The engine roared into life and Harry had it in gear and rolling when I opened the door on my side.

"Hey, slow down!" I said, trying to keep my temper in check. "I'm supposed to be riding with you. Remember?"

Harry ignored me and continued to move into the aisle as I jumped in. Several other cars shot out at the same time and Harry accelerated rapidly to cut them off. His knuckles were turning white as he gripped the wheel.

"I've got to make it tonight!" he said with fierce determination.

A big Buick stuck its nose in the aisle and Harry hit the brakes hard to avoid swiping a fender. He swore softly. The parking lot gate was only seconds away. He knifed the Rambler into the right lane of two converging lines of cars and passed through. At the same time he kept looking over his shoulder at the left hand lane, and sensing what was coming, I braced myself. And none too soon. Harry jerked the wheel and slid over into the left lane, cutting off a woman driver. From behind us, a terrific din of horns sounded their objections.

Harry was muttering again. "What's the matter with those jerks! Can't they give a guy a break?"

I said nothing, and slid farther down in the seat, with one eye peeled for any obstructions in our path.

By this time Harry was so fidgety that the Rambler actually started to rock. The left lane moved at a snail's pace. As the car in front cleared the turn, the light turned red. Harry followed through.

"I just made that light!" he whistled from between clenched teeth. Tires screeched and a horn indicated a near collision. "Why can't they give a guy a break?" he asked again. "What's their hurry, anyway?"

The lead in Harry's foot floored the accelerator in a vain attempt to prevent another car from slipping in between us and the car ahead. Harry screamed, "Look at him, will you? Boy, if I had the horses he has under that hood he'd never make it!" His voice died out, still muttering about "guys that never give the other guy a break" and something about women in general. "She," whoever she was, "wasn't going to talk him out of a hot car next time!"

My right leg had a dull ache from applying a non-existent brake as Harry juggled two miles of city traffic. My thoughts were anything but pleasant when Harry made a left turn into our street.

"You don't mind walking a half block, do you?" he asked and before I could answer he jammed on the brake, pulled the key, grabbed his lunch pail and left the car door open and me in it.

"Mabel! Mabel!" he shouted, running up his steps three at a time. "I did it! I did it! I knocked thirty-six seconds off my fastest time coming home!"

That was my last ride with Harry. Are you riding with him now?—
Or are you Harry?

Does Business Need An Autopsy . . . ?



by Clarence G. Scholtz

EVERY BUSINESS can afford to have a periodic review of its internal activities, or putting it another way, what business can afford not to have a periodic examination of all the details which go to make up the office functions, which in turn, have so great an influence on the overhead costs?

In the factory each operation is examined, investigated, stop watched, and re-examined to make every move count toward a final profit for the organization. Sort of scientific autopsy.

In the office no such scientific investigation is usually considered as being necessary. The vast amount of paper work just increases and increases year by year. For every movement, procedure, or method that is abolished, two others are born, and often the many procedures or systems become wheels within wheels until even those responsible for efficient work flow throw up their hands in frustration.

Insurance companies have the

greatest number of clerical staff, amounts of paper work and office problems of any industry or business. Thus they have on a large scale practically every problem that could possibly confront any organization, in any business, as respects the office section of the unit.

Here is what one large insurance company did, which may be of interest to others. Using the stop watch method of the factory but without the stop watch, company methods men drew up forms which each employee must fill in showing what happened for each five minutes of the working day. Here the employees must record each move, each operation, time consumed for each, number of documents or papers handled, lunch time, coffee breaks, idle time, if any, and every minute must be accounted for.

Then these reports are discussed with the department heads and supervisors, who must verify the accuracy of the data inserted by the employee.

The methods men use no pressure, simply keep asking questions, why is this so, why must this be done, what would happen if a particular function was discontinued, and why cannot one employee handle a certain task instead of two as at present.

As the questioning proceeds, the department heads and supervisors automatically start to offer suggestions and catching the idea begin to analyze their own department activities. It is amazing how many ideas come to light, ideas that are volunteered, thus guaranteeing the success of any move or idea approved by the methods men.

Department heads and supervisors who before an investigation of this kind repeatedly maintained they did not have enough employees to handle the work, now when confronted with the data compiled by the employees themselves when completing the forms, change their mind and agree that less employees could handle the work. Twenty percent savings in clerical staff is not an impossible result, and in today's high cost labor market, that represents in any organization a goal worth striving toward.

Just as an autopsy helps the medical profession, so does a business autopsy help management and the stockholders.



"No Raise!"

"Management in the Space Age"

by Thomas E. Millsop

NO ONE KNOWS BETTER than the members of this Association that management is never a one-man job. The performance of anyone in any management position depends very largely on what is done by people above, below and on either side of him. And the higher a person moves up the management ladder the more conscious he becomes of this simple fact. So in saying "thank you" for this fine award, I do so not only for myself but in behalf of all the management men in National Steel.

Incidentally, our Company is well represented here tonight. Will the National Steel representatives please stand? Now, some of the rest of you might think that these people are here just to make sure that I would have an audience of some sort right down to the bitter end. Not a bad idea, either, but it's not the case. Their presence here is tangible evidence of the value we attach to the objectives, the work and the accomplishments of the National Management Association.

So that you will know where to

This is the second of several speeches presented at the 35th Annual Conference of the NMA in Los Angeles to be published in MAN-AGE.

Mr. Millsop is President of the National Steel Corp.

place the blame, I must tell you that your officers insisted that I give a talk. And I was requested to base it on the theme of this convention, "Management in the Space Age." The trouble is, no one told me what kind of space to talk about. Space under the polar ice cap? Space reaching out to vast distances among the stars? Space reaching into the tiny confines of the atom? Space to fly an airplane? Or getting on more familiar ground, space in which to drive an automobile—or park it?

I believe—I almost said I am afraid—that space by any definition is something we must reckon with in different terms than ever before. Space has acquired a new meaning and actually a new dimension in human affairs. Only a few years ago

the theme, "Management in the Space Age," would have sounded to most people like the title of a comic strip. Today, it sounds perfectly sensible, and rightly so.

We are in the Space Age right now. And *management* is in the Space Age right now. For most of us, at the moment, participation is limited to a craning of necks to see the Sputniks, Explorers and Vanguard, as they pass in orbit. But to a section of management, the Space Age is not a matter of curious interest. These management men—in the companies engaged in work on missiles and rockets—have the job of converting the findings of theory and of the laboratory into the practicalities of production. To them, the Space Age is already an every day reality . . . an immediate and personal problem.

The artificial satellites and the missiles developed so far are but the crude beginning of man's venture into outer space. Now that it has started, we know nothing can stop it. And we know from the whole experience of modern history that progress from this experimental stage will be fast—much faster, probably, than the advance of the Air Age from Kitty Hawk to jet propulsion.

This is a tremendous thing. Yet it is merely a part of something much larger. The satellites are important. Even more important is the ever more rapid expansion of human knowledge and the motives and incentives which lead modern man to

spend huge sums of money and exert titanic effort to make practical use of that knowledge for his own purposes.

This has implications—economic, social and political in nature—that are of world dimension. Some of them, unfortunately, are not the kind that cheer the heart. We are all involved in them—as individuals and citizens—and must be concerned about them. But the accelerated, world-wide growth and use of knowledge also creates conditions that pose a direct challenge to management. And it is these in which we are particularly interested tonight. It is a challenge that management—American management—dares not fail to meet.

As we all know, the atom and the ventures into outer space are just the latest products of that tremendous surge in the application of scientific knowledge—in all fields—which got its true start well within the lifespans of many here tonight. The elders among us can remember when the automobile was a buckboard with a motor . . . the airplane a flimsy contraption of fabric and wood . . . the telephone a rarity in private homes . . . motion pictures something accurately called the "flickers" . . . wireless telegraphy still a thing of wonder . . . radio a crystal with a cat's whisker. We remember the advent of electricity in the home, bringing in its train the flood of conveniences and gadgets that today we just can't live without. We re-

member the start of central heating, now so widespread, and later, of course, the start of air conditioning.

Each of these things—and many others of more recent memory—is a marvel in its own right. In an earlier age, almost any one of them would have been big enough to give its name to a century . . . and, perhaps, would have lasted that long before something else came along big enough to displace it. In our lifetime, they have been so many and they have come so fast that, individually, each is lost in the crowd. We are conscious only of the whole movement, and sometimes confused by it as well.

Concepts exploded

It seems as though the total knowledge of Man, accumulated over thousands of years, was suddenly triggered into an explosion of development—an explosion undoubtedly made many times more powerful by the desperate urgencies of the two world wars. This explosion has changed concepts of time, distance and space; it has literally changed the face of the world; it has changed the conditions of human life everywhere. And the promise of the future is for still more change and faster change.

The role of management in this development has been active and large. Management has been essential at each step and through all the steps of production and distribution required to convert an inventor's custom built model into practical

products in the hands of the final users . . . whether it be automobiles by the million, airplanes by the thousand, rockets by the hundred or atomic submarines by the dozen. So management has been a principal *agent* of change. But it also has been a *subject* of change. The great new developments have no more been susceptible to old concepts and methods of management than to old concepts and methods of production and distribution. And the promise of the future for management is also for still more change and faster change.

A moment ago, I mentioned that space has acquired a new dimension. That is literally true. With the electronic telescope, Man can look into space farther than ever before—millions of light years. With the electronic microscope, he can look in the opposite direction—almost down into the heart of matter and can see in this tiny world a prospect of things more wonderful than the ancient alchemists' dream of changing lead to gold. *Time* also has acquired a new dimension. There are now ways by which time can be measured with fair accuracy back over thousands of years. And in the opposite direction, there are devices that measure and control at the rate of thousandths and even millionths of a second.

Such things may sound rather academic so far as management is concerned. Yet I am sure that each of us can point to recent and important

changes in his own plant and business operations that came from outside sources. One simple example: In steel mills, open hearth furnaces are now being tapped faster and more safely with implements adapted from the bazooka of World War II. In National Steel operations, we use radio-active isotopes and also induction heating, the X-ray, television, the electronic eye and other electronic devices—so many, in fact, that we found it necessary to establish a separate electronics department, now staffed with 200 specialists.

Management, too, has acquired new dimensions in space and time and also a new character. Let us consider some of the principal differences between management as it was not too long ago and management as it is now. By taking a sight along these two points—then and now—perhaps we can get an idea of the direction in which management must move into the future and what we must do about it.

Principal difference

The principal difference between management then and now, I believe, starts with these two facts. Formerly, most business was done on a much smaller scale and at a much slower pace. Management was adapted to these conditions. The smaller size of business made it possible for one or a few minds to grasp the essential problems confronting management; the slower pace allowed ample time to weigh and

analyze critical decisions. Many business concerns were closely held by owners who, in many cases, also held the top positions in management. Business was generally regarded as very much a private matter.

Then came the explosive developments mentioned before. Business organizations multiplied in number, grew in size, expanded in diversity. A single owner or a few owners—even extremely wealthy ones—could not provide the kind of capital for the kind of plant and facilities required for the new magnitude of production and distribution. Increasingly, the business organization became publicly owned; the percentage of ownership by any one individual declined. The older, simpler methods of management were no longer adequate. Existing functions of management were subdivided and placed in many hands where before they had been held in a few. Many new functions were created in response to new needs of the business organization. Other new functions were created in response to the tremendous social and political changes in the American environment.

This process of change is still under way. It will continue. Management is in transition from concepts and methods tailored to the particular needs of a company in a particular line of business to concepts and methods grounded on the fundamentals that apply to all business. This, of course, is what is referred

to increasingly as the development of "professional" management. It is a change responsive to the needs of our time. Modern management requires a high degree of specialization because of the number, variety and complexity of management jobs. At the same time, good management today requires in every job not only a working knowledge of the whole management field but also a knowledge of many things once considered entirely outside the scope of management.

Consider the present range of management responsibility. Management is responsible:

- . . . to the stockholders—the owners of the business—for its successful operation.
- . . . to employees for wages, working conditions and security and for the relations with employees and their unions.
- . . . to customers for prices, quality and service.
- . . . to suppliers for fair dealing.
- . . . to local, state and federal governments for taxes and many other things.
- . . . to plant communities for good citizenship.
- . . . to the public not only for goods and services at fair value—but also for the continuous improvement and new development that is the only possible source of rising

living standards and new job opportunities—in short, management is responsible to the public for progress.

It is plain from this list of responsibilities that the manager is truly the man in the middle. He is in the middle of people. That is something I want to emphasize. *Management deals with people.* That is its essential function. It has always been its essential function and will continue to be, whatever else may change. Management must deal with people on the basis of their particular interest, and often finds that interest in conflict with the interests of others. And it is management's job not only to run the business but to do it—so far as is humanly possible—in a way that properly recognizes the rightful interests of all the people affected by the business . . . and that's just about everybody.

Now, I want to say here that, in my opinion, management has done a good job and is doing a good job . . . good enough, certainly, to accomplish its part of the progress achieved thus far. But we all know that there is room for improvement and that improvement must be made. From all indications, the scope, the speed and the diversity of business will increase. The demands on management and, therefore, its responsibilities, will grow larger. Management, of necessity, must turn on itself and its methods the searching eye it keeps constantly on its products

and its methods of production and distribution.

What should management aim for? I believe two important objectives are those stated in publications of this Association—leadership and unity. Management needs higher standards of leadership at every level; it needs more thorough integration than we have today from top to bottom. It also needs to steadily improve the quality of knowledge and skill in every management job.

How is this to be done? Books can be and are written on this subject. I have time for only a few observations on certain basic aspects. First, let us remember that management, too, is composed of people. Management can never be any better than the average of the individuals in it. Second, management must accept the improvement of management as a do-it-yourself job. Outside help is available from universities and other sources but the inspiration, initiative and direction must be supplied by management, itself. As I see it, here are some of the most important lines along which we must move:

More careful selection

Future management will be composed of those coming into it now. New people should be selected in the light of what we know today about the whole range of management responsibility. And we know that mere technical knowledge and skill are no longer enough. To have

sufficient people with management potential available, there must be systematic methods for locating and preparing future management material.

Development

Once an individual starts up the management ladder, he should not be left to his own devices. He should be given the opportunity and encouraged, through definite programs, to broaden and improve—not only to prepare for the next higher job, but to increase his understanding of the entire management field and his realization that, as a representative of management, he bears special responsibilities as a citizen.

Integration

The first line foreman should feel and be given reason to feel that he is just as much a part of management as the chief executive . . . that all members of management share the same objectives and responsibilities.

Communication

There must be more effective methods for communicating in both directions, accurately and without delay, the information that management at various levels must have to do a proper job.

You will think of other things, of course. But I believe you will agree that a conscious effort to improve in these particular areas will lead to a general self-improvement of management and better equip it to meet

the challenge of the Space Age and the future.

That challenge embraces problems that are appalling in both number and size. In our own country we face the prospect of steady and rapid population growth. We know that the American people will demand continually higher living standards and greater security. We know that the working population will not be larger but smaller—as a percentage of total population—because of longer schooling on one end of the age spectrum and early retirement on the other. We know we will continue to face all the problems summed up in the word "inflation." We know that throughout the world population is growing at an accelerated pace and that even the most backward countries are suddenly and insistently de-

manding modern conditions of life. We know that we have and probably will continue to have all the world problems related to our national defense.

These problems, singly and together, threaten our well-being; our very survival. If there is one thing more than any other which can hold this threat in check—can hope to eliminate it—it is a constant and substantial rise in productivity . . . the following of the Biblical injunction to make two blades of grass grow where one grew before . . . in all fields now in existence and in those to come. America can't do the job alone—but it can lead the way. American management can't do the job alone—but it bears a heavy and special part of the responsibility to get the job done.



"Trouble with the salesman, again?"

BUSINESS NOTEBOOK



by WILLIAM M. FREEMAN

WANT A NEW PRODUCT? Looking for a new and better technique? Trying to cut costs? So is everybody. How much money should you spend in the hunt? How long should you take? Is the thing you're looking for worth while? What will you do with it when and if you find it? How should you go about it?

The Case Institute of Technology in Cleveland is hunting for the answers for all business and industry. What it is after is a mathematical formula to tell management how much money can be profitably spent on research. An operations research group is hoping to complete this year a manual that can be used by various concerns as a guide on how much to spend on research and development to produce the greatest profits. It is going after standards for individual research projects so that the best ones can be selected and a timetable worked out so that sponsors can know when to start and when to stop.

Much of the work on management at Case is a logical outgrowth of—

Pioneer efforts

—by Robert R. Tufts, a top management consultant who headed the management development program at Case until his too-early death last fall. Mr. Tufts, who was fully a gen-

eration ahead of his time, was working, although wasted by disease, on assembling data on measurable characteristics of successful and unsuccessful executives.

He remarked in a letter not long before his death that "consistency has been remarkably perfect," and that he believed he had in sight a workable tool to forecast the outlook for success.

Work along this line to get—

An advance idea

—on how executive procedures will work out is being pushed by the Globe International Detective Service, 45-year-old right hand to industry, as part of its "total protection" operation.

The concern's work takes in not only plant protection against fire, theft, accidents, sabotage and a thousand other possibilities that might put a plant out of action, but advance prevention work. It employs more than 2,000 men and women in four

divisions—plant protection, investigative, under cover and security patrol—and a growing aspect of the work is to find out which men will do well and plan to stay in their jobs.

Saul H. Dogole and Fred E. Braemer, who operate the service from headquarters in Philadelphia, said some days ago that "no one thing is security," that a plant's well-being rests on many factors, among them pre-job checking.

Mr. Braemer commented that as recently as a dozen years ago industry's idea of plant protection was to employ uniformed guards and station them around the plant with a system of electric watch stations to make sure they made regular tours of inspection. Management saw such work as an added expense, with corresponding cuts in gross and in profit. Globe proved through careful figures from government sources that labor costs 22 to 27 per cent less if an outside agency provides a packaged protection service.

It is this service that has grown to its present preventive level. It points up the increasing pressure on business to—

Plan far ahead

—if progress is to be made in an increasingly competitive atmosphere.

Purchasing agents book shipments of raw materials months in advance after careful study of price trends. This is why the monthly analysis of what purchasing agents are buying and not buying, as reported by the

National Association of Purchasing Agents, is a tip-off to what the most sensitive economic indicator has to reveal.

These purchases are not paid for until after delivery, nor are the finished goods paid for until in some cases long after they are delivered, consumed and perhaps forgotten. That pattern of doing business could not survive without a sound credit basis. It sometimes seems—how many credit cards do you carry?—that money is all but going—

Out of style

—in this country. Nowadays the bill is presented with a pencil and the customer more often than not merely signs his name and his Diners' Club membership number. While the big oil companies have long had credit cards, permitting their customers to charge their purchases, it seems generally agreed that the Diners' Club is the pioneer in the plan for an international single-billing credit card.

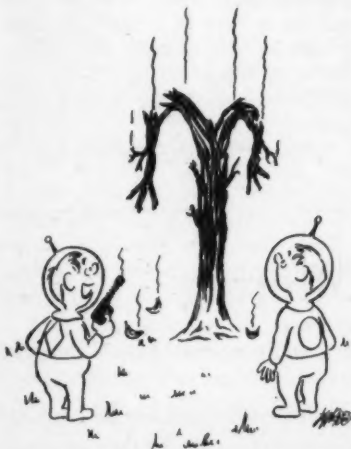
Hotel chains—Hilton and Sheraton, to mention only two—have entered the field, and so have banks, among them the large and powerful Chase Manhattan of New York, and the American Express Co.

The Diners' Club, now 9 years old, sails merrily on. It has close to 900,000 members, and Ralph Schneider and Alfred E. Bloomingdale, who operate the club, estimate billings for the fiscal year ending March 31 will top \$130,000,000,

with card-holding members in excess of 1,000,000. Credit has made—

Ownership

—no longer necessary for the use of just about anything. It isn't necessary, for instance, to own a single truck to go into the trucking business. An all-inclusive nationwide leasing plan for transportation equipment has just been put in operation by the Rollins Leasing Corp. of Wilmington, Del. It provides fleet operators with vehicles at a flat mileage rate, including everything but a driver. The plan takes in all repairs and maintenance, gasoline and oil, insurance, licenses, tags and inspections.



"Wow! And for only two box tops."

John W. Rollins, president, called the plan an innovation in leasing techniques and said that many years of data collection, analysis and fleet operating experience were necessary before the program could be developed. He commented that corporate management had realized the specialized nature of transportation operations and had decided to leave the area to the specialists. As a consequence of this view, many companies operating large fleets of cars and trucks have sold them to leasing companies, then leased them back under an appropriate arrangement.

Gifts

More gifts—for Christmas and other holidays, birthdays, remembrances, even Valentine's Day—are of textiles nowadays. The idea is credited to Robert E. Pomeranz, president of Roberts Co., maker of spinning machinery used by textile manufacturers.

Mr. Pomeranz enlisted the aid of Frank P. Bennett, executive editor of America's Textile Reporter, to spearhead the formation of an industry committee to direct the operation. In a letter to industry leaders Mr. Pomeranz suggested a plan for an industrywide merchandising program for gifts of textiles and apparel.

"If every one of the millions of people involved in and with the textile and apparel industries would give a textile gift whenever an occasion arose," he said, "this would in itself substantially boost sales for

our industry. It could provide an additional permanent spark to textile business."

Textiles take in just about everything made of any type of fabric, synthetic, man-made, natural or blends. One usage is in—

Emblems

—for wearing to set the wearer apart. The emblem industry in this country is becoming a major consumer of textiles. It expects to pile up a sales volume of \$25,000,000 for 1958, a 10 per cent rise above 1957 figures, when all reports are in.

That is the word from E. Henry Conrad, president of the A-B Emblem Corp. of Union City, N. J. Mr. Conrad, who is a third-generation Swiss embroiderer, reports that more than 32,000,000 persons in this country wear some form of emblem.

The identifying decorations are worn by members of the armed

forces, nurses' aides, bowlers, brewery workers, Red Cross volunteers, service station attendants, truckers, athletes and many others, including those who wear non-military uniforms, the doormen and so on. Add to that the collectors and the small boys, among others, who put every decoration they can find on their jackets, and it can be seen that the emblem is big business.

Mr. Conrad, whose concern designed about half of the emblems worn by the American forces in World War II, made all the emblems for the Atoms for Peace conference in Geneva, for the United States guides at the Brussels World's Fair last year and for the United Nations observers in Lebanon. A single order has run as large as 100,000 units for a brewery and as small as 75 units for a bowling league. There are 10,000 patterns in the concern's inventory.

What emblem are *you* wearing?

Church Offering

The following story has come to our attention and we pass it along in both a humorous and serious note.

The pastor of a small rural church had ended his eloquent Sunday morning sermon and came up with the following observation: "At the door, as usual, there will be someone to accept your gifts. I should like to remind you, dear brethren, that the anatomical construction of the angels precludes their use of your pants-button contributions."

How **WOULD YOU** **HAVE SOLVED THIS?**

NOTE: To be considered for \$10 cash awards and certificates of special citation, all solutions to the problem must be postmarked no later than February 10, 1959. Address your solutions of no longer than 500 words to Editor, **MANAGE**, 333 West First Street, Dayton 2, Ohio.

PROBLEM No. 34

BERNIE'S CONTENTION

Foreman Bernie joined The Anab Co., as a production worker, in June of 1947. Bernie was a conscientious and industrious young man, and soon came to be noticed by his superiors. In September of 1951, Bernie was promoted to the rank of Foreman. Because of a recent decline in business, Anab's management found that it was necessary to reduce some of their supervisory staff. Unfortunately, Bernie was one of the individuals affected by this reduction. Since Bernie had spent some 3½ years as a member of the bargaining unit, it was felt that he should be given the opportunity to return to the bargaining unit. As in most contracts, job seniority was included. In making the reduction Bernie's boss assigned him to a job on the basis of his 3½ years in the bargaining unit.

Since this happened in 1958, Bernie contended that his seniority had accrued since 1947, therefore, he should be assigned a job on the basis of 11 years seniority. The paragraph and section of the contract covering seniority indicates that an employee's seniority status is understood to be the length of service acquired in the employ of the company and shall start and accumulate from the last hiring date without any time deducted on the account of lay-off, approved leave of absences or duration of governmental service. Armed with this information, how would you decide Bernie's fate?

(Remember the deadline: February 10, 1959)

THIS WAS SUPERVISORY PROBLEM NO. 32

Temporary transfers or temporary assignments are often necessary because of illness, deaths, etc. Eddie, the foreman of Machining 2, recently had a problem develop because of a series of absences. One of Eddie's turret lathe operators had been off work sporadically for some time. In his absence he gave the temporary promotion to Herman, one of his lathe hands. One day recently, after Herman had been "marked-up," Wilbur, another lathe hand, filed a grievance stating that since he (Wilbur) was the senior lathe hand, he should receive the temporary promotion. This caused a dilemma for Eddie because Herman was far better than Wilbur, but still Wilbur could perform the work. Past practice in Eddie's division was to ignore seniority when it was necessary to mark an employee up temporarily. If you were Eddie, how would you answer Wilbur's grievance? Oh, by the way, Eddie learned that the contract was silent on the subject.

THOSE SILENT CONTRACTS

by Robert J. Zimmerman
Sylvania Management Club
Emporium, Penna.

In cases of this type where the contract is silent, management could very easily invoke its inherent right to control the operations of the company. Arbitrators seldom rule against past practice if such practice can readily be proved to be sound judgment and not capricious whim. Thus Eddie's historical action in giving the temporary promotion to the most qualified worker should provide a logical argument in defense of the management position. Many contracts specifically place the prerogative of filling temporary jobs in the hands of management as long as the job is to exist for a given short period. These provisions also often exclude experience gained on temporary assignment from consideration when a permanent job

THE WINNERS

Here are the best solutions to the supervisory problem No. 32. The winners have received checks for \$10 each and a handsome two-color Merit Award certificate suitable for framing.

becomes available, as a protection to more senior employees.

Assuming that management wishes to establish a continuing policy in this area and that the contract already provides that the senior qualified worker be given the first choice to any permanent job opening, Eddie should recommend the following policy in the "Marking up" procedure.

This policy could state: "The senior employee in the next lower classification within a given trade will be given preference in the filling of temporary job vacancies of less than two weeks duration. This provision will not apply in those cases where emergency production requirements necessitate the use of more qualified bargaining unit employees regardless of seniority or present classification."

Should such a policy be established, it could well resolve the grievance and of course, would become an item of negotiation during future contract discussions.

The policy would also be of benefit to management, since it would eventually establish a "pool" of higher skilled employees who would always be next in line for future job vacancies when they occur.

Herman's continual choice to be "marked up" ignored the fact that Wilbur, because of his greater seniority, would someday fill the next vacancy to occur on the turret lathe classification. Had Eddie chosen Wilbur most frequently, Wilbur's possible future move to the turret lathes could be accomplished with the minimum of training time being

expended. It is granted that Wilbur would not have always been chosen had production requirements dictated otherwise but in the long run, choice of the most senior man would result in a reduction of training time and Eddie would not have been faced with this particular grievance.

SET FORTH CRITERIA

by James A. Redshaw
Traffic Manager
Pittsburgh Coke and Chemical Co.
Pittsburgh, Penna.

My answer to Problem No. 32, "A Dilemma" in the October issue of *Management* is as follows:

In the absence of contractual provisions to cover, while it is reasonable to assume that past practice should be a strong factor when a temporary work assignment due to illness, deaths, etc. is to be filled, certainly ability and seniority should never be disregarded.

In this instance, where the temporary assignment also means a temporary promotion, it is not surprising that Foreman Eddie has run into difficulty. He is probably fortunate in not having encountered trouble before this because in making his decisions in accordance with past practice, he has recognized ability only, ignoring seniority. Even though the employee actually marked up for the job is "far better," the employee who filed grievance admittedly has seniority and can perform the work involved.

Eddie has no alternative in this situation but to stick to his guns, relying tactfully on the past practice—no contract violation argument. However, he had better, as soon as possible, take steps towards having a definite procedure set up to meet similar situations in the future. The combining of this answer to the grievance with an offer of immediately setting up such procedure, which must be satisfactory to union as well as to management, would

be fair and logical and should be acceptable to all concerned.

I would suggest that in working out the procedure, it be correlated with actual present contract provisions covering promotions to permanently assigned positions. If the criteria (for promotion) set forth there have been worded judiciously, the impartial selection of well qualified men should be comparatively easy. If by chance, however, there are no such provisions here either, or if present provisions are not crystal clear, it certainly would seem essential that the management of Eddie's company get together rather quickly with the union in order to establish or clarify them.

POINT OUT REASONS

by R. B. Scott
Wage Administrator
Hughes Aircraft Co.
Tucson, Arizona

As a solution to the labor relations problem No. 32 I propose the following:

Foreman Eddie cannot stand on his contract rights inasmuch as the contract is silent on the subject of temporary promotions. But Herman is far better than Wilbur, and, in the interest of maintaining a good relationship with the personnel of Machining 2, I would stand on past practice wherein seniority was ignored and promotions were based upon ability to do the job. Furthermore, in looking ahead to the possibility the grievance go all the way to arbitration, I would feel that I was on firm ground because I had not deviated from past practice. And most arbiters place heavy emphasis on past practices. Generally speaking though, senior employees should be considered for promotions and I would point out to Wilbur the specific reasons why I did not promote him, as well as the specific reasons I did promote Herman.

I would therefore deny Wilbur's grievance at this step.



Christy Park Works Management Club

Management Team of the Month

★ ★

EARLY IN 1958 a letter was reviewed from the Youghiogheny Council, Boy Scouts of America, listing various projects which the council could not afford to undertake, but required attention. Shortly after, a committee representing the council, accompanied by officers of the Christy Park Works Management Club, visited Camp Aliquippa and decided, with the approval of the club, that the renovation of "Hoyt Lodge" was the most crucial of the projects. The club not only approved the undertaking of the project, but also approved expenditure of club funds to finance the purchase of necessary materials.

Work on the lodge was begun on May 9, 1958, and was completed July 9, 1958. During the course of the project, members of the club drove 6,540 miles and worked a total of 982 man hours to completely rebuild the lodge for occupancy by the scout committees. The lodge also serves as headquarters for winter activities of the Boy Scout council.

The expenditure of club funds and

personal contributions from club members amounted to \$434. Materials required to complete the job included cedar shingles, window lights, moldings, door hardware, paint and varnish, lighting fixtures and masonite.

On August 14, 1958, the club was presented with an Eager Beaver Certificate and plaque by the Youghiogheny Scout Council for the club's work on the Hoyt Lodge.

In a letter of appreciation from the scout council, the Boy Scout Executive lauded the management club's contribution of time, effort and money. "The first weekend was a wonderful assist, but men kept coming weekend after weekend, and many nights through the week there were several carloads arriving at the camp, remaining until long after dark." Scout Executive King added, "I am sure the efforts of the Christy Park Works Management Club helped our camp achieve the perfect 'straight A' rating which our Regional Inspectors gave to Camp Aliquippa this year. I deem it a great

privilege to have known and worked with such a high-caliber group."

The general opinion of the club membership is that a civic endeavor, such as this, is extremely beneficial

to the membership and the club in general because it has a tendency to bind the members participating more closely together.

J. E. Booth, President

Sloan Management Fellowships

Expansion of the Sloan Fellowship program at the Massachusetts Institute of Technology has been announced by Dean Brooks of the School of Industrial Management.

Candidates for the fellowships must be between 30 and 38 years old and will be nominated by the companies from which they work. Selection carries with it a financial award from the Alfred P. Sloan Foundation, Inc. Employers also contribute to the cost.

Accepted nominees will participate in a full year's study in economics, marketing, labor relations and corporate finance in preparation for major executive responsibilities they are expected to assume in the years after they return to their companies. Participants qualify for the master's degree at the end of a year.

The Sloan Fellows customarily bring their families to Cambridge, their wives taking part in many activities. The fellows participate in seminars with business leaders of the nation and take field trips to various parts of the country for first-hand information about industrial and governmental operations.

Inaugurated in 1931 the program was the first of its kind in the country. "The experience of men who have participated in the last 27 years indicates that the program has profoundly increased their vision and effectiveness," said John M. Wynne, the director. "It has enhanced their ability to work effectively with people and problems, and has strengthened their sense of usefulness to their companies and with the basic objectives of a free-enterprise economy.

"We are seeking men with from five to ten years of business experience who have demonstrated their ability, drive and potential for positions of greater responsibility. They must be men of such promise that their employers will be willing to let them leave their jobs for a year with the confidence that their value will be many times increased through further education."

Application forms for the program may be obtained by writing to John M. Wynne, M.I.T. School of Industrial Management, Cambridge, Mass. Application must be made by February 2. Successful candidates begin their year at M.I.T. in June.



Conferences

Following is a list of NMA educational conferences dealing with various phases of management development and leadership skills. Specific themes are included only when MANAGE has been informed by the conference leaders. Please make further inquiry as indicated.

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MANAGEMENT CONFERENCE:

Jan. 31, 1959—Columbus YMCA, Columbus, O. Sponsored by the Central Ohio NMA Council. Contact Robert Brillhart, Columbus Bolt & Forging Co., 291 Marconi Blvd., Columbus, O.

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MANAGEMENT CONFERENCE:

Feb. 19-20, 1959—San Diego, Calif., Sponsored by the San Diego NMA Council. Contact Owen Walker, Ryan Aeronautical Co., 2701 Harbor Dr., San Diego 12, Calif.

• • •

MANAGEMENT CONFERENCE:

Feb. 21, 1959—W. K. Kellogg Auditorium, Battle Creek, Mich. Sponsored by the Wolverine NMA Council. Contact Orville Seeley, General Foods Corp., Post Div., Battle Creek, Mich.

• • •

MANAGEMENT CONFERENCE:

Feb. 21, 1959—Statler-Hilton, St. Louis, Mo., Sponsored by the St. Louis NMA Council. Contact Robert L. Slifer, Monsanto Chemical Co., John F. Queeny Plant, St. Louis, Mo.

For the information of MANAGE readers the following conferences, which have come to our attention, are listed as an added service of the NMA. For further information make inquiries as suggested.

• • •

INDUSTRIAL RELATIONS IN THE CURRENT ECONOMY:

Manhattan College Conference—

Jan. 14, 1959—Hotel Manhattan, N. Y. C. Sponsored by: Labor-Management Department, Manhattan College, Federal Mediation and Conciliation Service, and American Arbitration Association.

Inquiries: Brother C. Justin, F.S.C., Labor-Management Department, Manhattan College, Riverdale, New York 17, N. Y.

• • •

THE CHANGING PATTERN: Boston College Arbitration Conference—

March 12, 1959—Fulton Hall, Boston College Campus. Sponsored by College of Business Administration and American Arbitration Association.

Inquiries: Donald J. White, Boston College, Chestnut Hill, Mass.

• • •

MIDWEST WORK COURSE, MATERIALS HANDLING ANALYSIS: Univ. of Kansas—

Feb. 2-6, 1959—Univ. of Kansas. Sponsored by the Kansas City Center; Univ. of Kansas Extension.

Inquiries: Univ. of Kansas Extension Center, 39th and Rainbow Blvd., Kansas City 12, Kans.

REPORT TO THE MEMBERSHIP (Continued from page 2)

Educational programs offered to clubs for their members are in greater number and of greater depth this year than ever before. First in importance is the zone-manager's part in conducting clinics for all club officers. The clinic program, though in its infancy, is already showing excellent results. Now, officers step into their newly-elected positions and have confidence in fulfilling the duties and responsibilities of their offices.

Another new educational program is continuing for a second experimental run. This is the liberal arts course named, "Learning For Leadership." It is partially financed by the Fund For Adult Education, and is composed of group discussion programs. This is a ten-week course of two hours a week for members, with college trained leaders for each subject.

Adding to the inventory of NMA educational material is a never-ending task. New programs are nearly finished and ready for use. One program ready for testing is, "Issues In Modern Management." This offers up-to-date problems for management men to study and solve, incorporating readings from America's outstanding management experts. I am sure this course, and the entire educational program, will be of interest and value to every ambitious member . . . and will be most valuable in interesting other management people in participating in our Association.

Wishing you a healthy and prosperous year.



NMA CLUB ANNIVERSARIES

JANUARY: 10 years—*Talca Management Club, Oakland, Calif.*; 5 years—*Eastern Division Supervisors Club of The Alabama Power Co., Anniston, Ala.*; *Greenville Foremen's Club, Greenville, Penna.*

FEBRUARY: 10 years—*Douglas El Segundo Management Club, Inc., El Segundo, Calif.*; *Douglas Long Beach Management Club, Long Beach, Calif.*; *Supervisors' Club of Clayton Mark and Co., Evanston, Ill.*

BOOKS...

Behavior of Industrial Work Groups

When birds of a feather flock together . . . and they do . . . the firm may suffer the consequences. Much depends on whether the cliques fall within the categories of apathetic, erratic, strategic, or conservative, according to Leonard R. Sayles in his new book which is aptly subtitled "Prediction and Control." Four major patterns, with a few prima donnas and friendship cliques thrown in, are shrewdly identified, differentiated, and analyzed here for the benefit of union and management officials, and those who must engineer work flow and job arrangements.

Published by John Wiley & Sons, Inc., 440 Fourth Ave., New York. Priced at \$4.75.

* * *

The Job of the Federal Executive

Based on a series of round table meetings held at the Brookings Institution, Washington, D. C., this new book answers such questions as: What does the executive really do in the federal government? How does he use his time? What are his problems in dealing with the Congress, various government agencies and political groups? What can be done about getting and keeping able career and political executives in government? The author of the book,

Marver H. Bernstein, is a faculty member of the Department of Politics, Princeton Univ.

Published by the Brookings Institution, Jackson Place, N. W., Washington 6, D. C. Priced at \$3.50.

* * *

Check Points for Sound Bargaining

Management must take a more critical look at collective bargaining, says Charles R. Sligh, Jr., executive vice-president of the National Association of Manufacturers (NAM), and, he warns, that ". . . adequate preparation is the very foundation of successful collective bargaining." The booklet, just issued by NAM, is designed to provide management with an itemized check list of points which require "the most searching review" in light of existing agreements. "A clear and positive set of principles will help establish a bargaining climate which will make it possible to negotiate realistically and effectively," says Sligh.

Published by NAM, 2 East 48th Street, New York 17. Priced at \$1.00.

* * *

The Decision Makers

Here's the inside story of the techniques employed by fifteen top executives to attack and solve their biggest management problems as is told by Richard R. Connaroe.

Published by Vision Incorporated, 635 Madison Avenue, New York 22, N. Y. Priced at \$10 standard edition; \$15 deluxe edition.

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